Daily Report

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Central America, EC Sign Cooperation Agreement

PA1410020893 Guatemala City PRENSA LIBRE in Spanish 9 Oct 93 p 54

[Text] The Central American Isthmus-EC Joint Commission's sixth meeting concluded yesterday at the Secretariat of Central American Economic Integration (SIECA) headquarters with the signing of a $181-million cooperation agreement for social aid programs, the strengthening of peace and Central American integration processes, and support for democracy.

During the two-day meeting the current situation in both regions and the development of their relations were reviewed, particularly with regard to the issues of trade exchange and cooperation.

Both sides examined Central American social problems and the integration process and confirmed that in terms of value, trade between the two regions has come to a standstill and Central American exports remain reduced to a small number of basic products.

To overcome this problem they agreed to have Central America create a complete export development program that will enable the region to gradually identify its current limitations and capabilities and promote the development of trade and services, including tourism.

The sides likewise agreed that this program must be accompanied by a strategy that will include, among other plans, the diversification of Central American exports, transportation improvements, the addition of the value-added tax to exported products, and improvements in the legal system to foster investments on the isthmus.

Both sides acknowledged the importance of maintaining open markets and of successfully completing the Multilateral Commercial Negotiations at the Uruguay Round. They also agreed to consider the creation of a forum parallel to the San Jose Conference, which would examine trade issues between the two regions.

The delegation from the 12 EC countries was headed by Miguel Anacoreta, EC Commission director for Latin America, and the Central American delegation, formed by the areas' deputy ministers of economy, was headed by Guatemalan Deputy Economy Minister Guillermo Rodriguez.

The document was signed by the presidents of both delegations in the presence of SIECA Secretary General Rafael Rodriguez Loucel.

Summit Speakers on Banana Exports, Relations With Cuba

FL1310170493 Bridgetown CANA in English 1530 GMT 13 Oct 93

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, 13 Oct, CANA—St Vincent and the Grenadines Prime Minister James Mitchell Tuesday night warned Latin American countries that the issue of banana exports could cause "irreparable damage" to their relationship with four members of the English-speaking Caribbean Community (Caricom).

He issued the warning in a speech at the start of a historic summit of the heads of government of Caricom and Suriname, and the presidents of Venezuela, Mexico, Colombia. The summit is aimed at strengthening relations between the two regions. Mitchell, speaking on behalf of the four banana producing Windward Islands, said: "We do not intend to exchange pleasantries on the subject of bananas in Port of Spain and use another language to address the issue of our survival in the GATT (the General Agreement on Trade and Tariffs) forum in Geneva.

"We therefore welcome the opportunity to discuss these matters with the presidents of Mexico, Colombia and Venezuela to engage in an amicable, pragmatic and realistic solution." Mitchell stressed that the very survival of the Windward Islands, comprising his own country, Grenada, Dominica and St. Lucia, depended on the export of bananas to Europe where Latin American producers have been pushing for a greater share of the market.

"We are aware that we must restructure our banana industry to meet the open market situation beyond the year 2000," he said. But he added: "Should our economies be destroyed in the meantime by indiscriminate flooding of the market by supplies from Latin America, ...relations between Latin America and the countries of the Windward Islands are likley to suffer irrepairable damage."

In remarks to the opening session, Trinidad and Tobago Prime Minister Patrick Manning, who is chairing the summit, said he saw the event as opening up opportunities for meaningful trade and investment in both regions. He noted history and language had kept the English-speaking Caribbean and predominantly Spanish-speaking Latin America apart in the past. But he said this state of affairs had undergone major change in the last two decades, to the point now where "the momentum of change is accelerating".

Manning also saw the summit as providing an opportunity for Caricom and Suriname and Latin America to give sharper focus and more concentrated impetus to co-operation through a consensus of political will in order to tackle the multi-faceted problems which they face. "That is why this meeting, brief though it [passage indistinct] with the leaders of the Group of Three the possibilities of trade and investment which can open us if we actively consider how our two groups might do things together, rather than separately," he said.

In his speech, Caricom chairman, Bahamas Prime Minister Hubert Ingraham, focused on the current problems in Cuba and Haiti which he said continued to be denied full democratic privileges and rights. "There's growing hope and expectation that increased dialogue with Cuba will impact on the democratic opening of that country to the benefit of all Cuban people," said the Bahamian leader.

Officials 'Apprehensive' About Security During Rio Summit

PY1310181193 Madrid EFE in Spanish 1547 GMT 13 Oct 93

[Excerpt] Santiago, Chile, 13 Oct (EFE)—The killing of a prison policeman and the five bomb attacks perpetrated on 11 October have compelled the Chilean Government to enforce ahead of schedule the great security plan prepared for the Rio Group Summit that will open on 14 October in Santiago.

The security measures have been described as unprecedented. They are stricter than those adopted for Pope John Paul's visit in April 1987, or those adopted during U.S. President George Bush's visit in 1990. They cannot be compared to the security measures adopted in 1991 for the OAS General Assembly meeting in Santiago.

This was confirmed to journalists by General Luis Godoy, chief of the Carabineros (militarized police) metropolitan region, after he attended a meeting at La Moneda Government House that was headed by Interior Minister Enrique Krauss. Godoy said the meeting was exclusively centered on security measures to safeguard the safety of the 12 Latin American presidents and other officials who will attend the Seventh Rio Group Summit.

He added that there is no specific indication that there will be any attacks, but officials "are somewhat apprehensive" following the killing of the prison policeman and the bomb attacks on 11 October. The extreme leftist group Manuel Rodriguez Patriotic Front [FPMR] claimed responsibility for these attacks which have no connection at all with the presidential summit.

Although Godoy refused to specify the number of policemen involved in the security plan, other police sources reported that since early this morning, more than 3,000 policemen have been deployed at strategic locations throughout Santiago. Godoy also said that Carabineros and the Investigative Police (civilian police) have been reinforced at the border to prevent the entrance of terrorists or criminals. [passage omitted]

Rio Group Diplomats Begin Drafting Summit Declaration

PY1310132293 Madrid EFE in Spanish 1559 GMT 12 Oct 93

[Report by Antonio Martinez]

[Text] Santiago, 12 Oct (EFE)—Diplomats from the 13 Latin American countries that comprise the Rio Group today started to draft in Santiago the first text of the declaration that will be signed on 16 October by the chiefs of state who will attend the seventh Rio Group Summit.

The "general coordinators" appointed by each country for this first step are trying to reach a consensus about the largest possible number of issues contained in the document that will be reviewed by the foreign ministers on 14 October and defined by the chiefs of state on 15 and 16 October. Of the 13 Rio Group chiefs of state, only Jamaican Prime Minister Percival J. Patterson will not attend the summit.

Host coordinator Carlos Portales, Chilean Foreign Ministry director general for foreign policy, told journalists the declaration will cover four large areas: consolidation of democracy in Latin America, Rio Group relations with other international forums, social development, and economic matters.

Regarding the first subject, it is expected that the presidents will make decisions about the Haitian, Nicaraguan, and Cuban crises. The final decisions regarding these issues probably will be made by the chiefs of state themselves. Diplomatic sources stated that the possibility of offering humanitarian help to Cuba, especially in the field of health and foodstuffs, has been suggested but no consensus has been reached yet in this regard.

As for Haiti, the Latin American countries are in favor of returning ousted President Jean-Bertrand Aristide to office in an operation to be supported by the United Nations, which has been finding an increasing number of obstacles to its task as a result of the military's resistance. It is expected that the seventh Rio Group Summit declaration also will discuss political instability in Nicaragua and urge the two opposing groups to respect the democratic institutions.

Those participating in the summit also will analyze Rio Group negotiations with other countries and groups from other continents such as the EC, Southeast Asia, the PRC, and Japan. Carlos Portales reported that progress has been made in "consolidating" the Rio Group as an international spokesman on behalf of Latin America.

The Rio Group is comprised of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela, which are permanent members. Also members of the group are El Salvador—which represents the Central American countries—and Jamaica, which represents the Caribbean ones.

In the economic field, it is expected that the summit will make decisions about Latin American integration processes and the development of negotiations within the framework of the Uruguay Round of the GATT. At the sixth summit, which was held in Buenos Aires last year, the "coordinators" were asked to prepare a set of special documents about social development, thus making it possible to adopt decisions in Santiago to be implemented before the next summit, which will be in Brazil in 1994.

Whatever the presidents approve regarding this last issue will be presented by the Rio Group at the International Summit on Social Development, which has been called by the United Nations and will be in the Danish capital in 1995. Until the last minute, the agenda will remain open to all issues the presidents may want to include in it, in keeping with the traditional informality that prevails in the group, which is officially entitled the "Permanent Mechanism for Political Consultation and Agreement."

The foreign ministers and Mexican President Carlos Salinas de Gortari will begin arriving in Santiago on 13 October. The other presidents will arrive on 14 October. Some 500 journalists have been accredited to cover the summit. Second in number to the Chilean ones, 86 Mexican journalists will be covering the event.

'Firm Message' Expected

PY1310193893 Madrid EFE in Spanish 1559 GMT 13 Oct 93

[Excerpts] Santiago, 13 Oct (EFE)—The liberalization of international trade, an end to protectionism, reciprocity, openness, and multilateral negotiations are the main points contained in the Rio Group proposal for the GATT talks, which is being prepared in Santiago by experts from the 13 member countries of the group.

The proposal will be examined by the 13 presidents of the Rio Group, who will meet 15 October in Santiago during the seventh presidential summit of this group. The problem of free access to markets has become a crucial issue for the democracies of the region, which by dint of rigorous structural adjustments opened their economies and discovered that the industrialized blocs were establishing increasingly greater obstacles to Latin American exports.

Less than 15 days ago in Geneva, Chilean Ambassador to GATT Ernesto Tironi declared, in the name of the Rio Group: "Our countries have significantly freed up their economies through autonomous decisions, but we have not observed any reciprocity." The foreign and economy ministers of the member countries of the Rio Group explained their criteria in a document they delivered on 17 September in Montevideo to GATT Director General Peter Sutherland, who is conducting the Uruguay round of GATT talks, which must be concluded by 15 December. [passage omitted]

The Latin American countries demand the elimination of agricultural subsidies as well as an improvement in the General System of Preferences, which benefits some member countries of the Rio Group. According to some international figures the agricultural subsidies paid by the EC, the United States, and Japan amount to $300 billion. There is a consensus in the region that Latin America should "assume a united and firm position" because "all possible concessions have been made to industrialized countries," stated Antonio Antunes, the Brazilian secretary general of the Latin American Integration Association (ALADI).

The Rio Group ministers have told Peter Sutherland that Latin America clearly understands that the Uruguay round of GATT talks cannot conclude "at any price," and much less excluding the agricultural issue, the most controversial subject throughout the seven years of negotiations. Colombian President Cesar Gaviria said in his speech at the last UN General Assembly that it is urgent that this round of talks be concluded, "not in any manner" but with solutions for the less developed countries.

According to the Economic Commission for Latin America (ECLA), if the international situation does not improve it will be very difficult for the Latin American countries to continue with their economic adjustments, grow at the same time, and solve the serious social problems that persist.

The region expects that from Santiago de Chile the presidents of Argentina, Bolivia, Uruguay, Brazil, Paraguay, Peru, Ecuador, Chile, Venezuela, Colombia, Mexico, and El Salvador will issue a clear and firm message on this subject.

Bolivian President Arrives for Summit

PY1310201193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 13 Oct 93

[Text] Bolivian President Gonzalo Sanchez de Lozada arrived at Pudahuel airport a few minutes ago. We have a report from Jose Ignacio Aguirre at the airport.

[Aguirre] This is the first time a Bolivian president has arrived at the Chilean capital. In the 1950's, Bolivian President Victor Paz Estenssoro visited Arica. President Sanchez is coming to attend the Rio Group meeting. He talked with the press, and said that this is no longer a time for conflicts, that this century of division must be overcome, and that this is a time for dialogue between Chile and Bolivia. Sanchez was asked whether, at the meeting that he will hold with President Patricio Aylwin, he would raise the issue of the Bolivian landlocked situation.

[Begin recording, in progress] [Unidentified reporter] ...hold a meeting with President Aylwin. Will you raise anything about the landlocked situation?

[Sanchez] I have no proposals, and I am not coming for negotiations either. I came to learn about the positions and feelings of the Chilean Government. I will explain how we see things in this regard. I will, however, refer to many other issues, without ignoring that subject, which make up the destinies of our two countries and which we can no longer ignore. [end recording]

[Aguirre] In the afternoon the Bolivian president will host a news conference for some media, among them Television Nacional. The president will also meet with presidential candidate Arturo Alessandri. Tomorrow Sanchez will meet with Eduardo Frei.

Rio Group Summit To Discuss Humanitarian Aid to Cuba

FL1410033293 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Oct 93

[Text] No major problems have arisen thus far during the drafting of the final declaration for the Rio Group Summit, which will open in Santiago, Chile, on 15 October. Everything indicates, however, that those controversial issues will be decided by the summiteers themselves.

Chilean ambassador Carlos Portales, the spokesman of the experts who are concluding their work tonight, announced that the declaration will focus on four major areas; that is, political, economic, and social issues; and the Rio Group's international ties.

It is expected that in the segment of the declaration devoted to political issues, the Rio Group presidents will state their position on developments in Haiti, the Nicaraguan problem, and the Chilean proposal to give humanitarian aid to the Cuban people in light of the difficult economic situation the country is experiencing. Regarding the Cuban issue, all advisers have agreed that, like in previous summits, this point of the declaration will require a debate among the presidents because there are shades of differences in their opinions.

The initiative to supply aid to the Cuban people, namely food and medicines, has been the subject of consultations by the Chilean Foreign Ministry with its Rio Group counterparts, following instructions imparted by President Patricio Aylwin upon his return from the recent Ibero-American Summit held in Brazil. Both Aylwin and his foreign minister, Enrique Silva Cimma, have stated that the current Cuban economic situation is exacting a heavier toll from senior citizens and children and that this calls for solidarity.

Mexican President Interviewed; Praises Rio Group

PY1310213593 Madrid EFE in Spanish 1709 GMT 13 Oct 93

[Text] Santiago, 13 Oct (EFE)—Mexican President Carlos Salinas de Gortari has stated that the Rio Group has helped to unite Latin America and has allowed the

region to adopt common initiatives. In an interview published today in the Chilean daily, LA EPOCA, the Mexican president asserted that the Rio Group "has concretely proven that it is an excellent mechanism for political dialogue. If we want to enjoy better economic, commercial, and cultural relations we must base these relations on a strengthened political dialogue."

Salinas de Gortari will arrive in Santiago at 2030 [2330 GMT], with his Foreign Minister Fernando Solana Morales, on an official visit. They will also attend the Rio Group presidential summit, which will be held on 15 and 16 October.

The Mexican president said that among the important future tasks of the Rio Group are "those that refer to the strengthening of trade relations and to an intensive exchange in culture and education." He added that these issues "have been intensely explored. The results of this work is reflected in Ibero-American meetings. By giving these issues priority within the Rio Group, we will create adequate conditions for their inclusion in larger forums."

Salinas de Gortari admitted that although some problems remain unresolved, the Uruguay Round of the GATT is expected to conclude positively. He emphasized: "Nothing worse could happen to Latin America than to end the 20th Century without having reached a trade agreement because this would create the conditions for future commercial wars. We must all cooperate to prevent that from happening because we will all be harmed if we remain without an overall trade agreement."

The president pointed out that Mexico and Chile have signed the first free trade agreement in Latin American history. He said: "This shows that we are now in the vanguard and this encourages us very much."

Commenting on the North American Free Trade Agreement [NAFTA] which has been signed by Mexico, the United States, and Canada, Salinas de Gortari pointed out that it is his responsibility "to convince the Mexican Senate to vote in favor for it. There is great support for NAFTA at the Senate and, in general terms, Mexicans consider it favorably."

He added that he had no comment on former U.S. President George Bush's remark that it would be beneficial to hasten the appointment of the ruling party presidential candidate, because it would help to obtain congressional support for NAFTA. Asked if the delay in appointing the candidate to replace him has created unrest, Salinas de Gortari said: "Perhaps there is unrest among commentators but, as far as I know, the electoral calendar is being complied with."

Arrives for Summit

PY1410025893 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 14 Oct 93

[Text] The Mexican Air Force plane carrying Mexican President Carlos Salinas de Gortari arrived at Santiago's International Airport shortly before 2100. The plane was a little late. Foreign Minister Silva Cimma welcomed the Mexican president, who is making an official visit to Chile. He rapidly walked to a car that will carry him to the Cousino Palace [official guest house], where President Patricio Aylwin will offer a reception in his honor.

Carlos Salinas de Gortari comes from Trinidad and Tobago where he met with the Venezuelan and Colombian presidents, who will also come to Santiago tomorrow to participate in the Rio Group Summit. Salinas de Gortari is considered one of the main advocates of free trade in the continent.

Bahamas, Belize Question Reimposition of Haitian Sanctions

FL1310172393 Bridgetown CANA in English 1637 GMT 13 Oct 93

[Text] Washington, 13 Oct, CANA—The Permanent Council of the Organisation of American States (OAS) has condemned the acts of intimidation carried out by armed groups in Haiti against diplomatic officials and journalists Monday.

In a declaration following a special session on Haiti the hemispheric body urged Haitian military and police to meet their responsibilities for the safety of United Nations and OAS personnel in the French-speaking Caribbean nation. The declaration also warned that non-compliance with the Govenors Island agreement, which sets the terms for the return of Haitian President Jean Bertrand Aristide on October 30, would give rise to re-evaluation of the suspension of sanctions which were lifted recently.

Armed groups Monday attacked diplomats and journalists who were awaiting the arrival of a United Nations contingent, including U.S. military personnel who remain aboard an American military vessel in Haitian waters. The Bahamas and Belize, while supporting the declaration, questioned the impact declarations would have at this time and called for a serious analysis of options available to the international community if the Governors Island accord was not complied with.

"We have had too many declarations and resolutions on Haiti which have not been complied with. Let us stop feeding our egos and decide how we should deal with these elements who are now prepared to challenge the UN and the U.S.," said Tim Donaldson, permanent representative of the Bahamas at the OAS. Donaldson lamented the "absence of a plan B if the military and others do not vacate office on October 15, as required under the accord." He said the military in Haiti had used the lifting of the embargo to fortify itself.

Group of Three Seeks Freer Trade With Caricom, Suriname

FL1310165093 Bridgetown CANA in English 1432 GMT 13 Oct 93

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, 13 Oct, CANA—The heads of state of Mexico, Colombia and Venezuela Tuesday night said their countries wished to improve trade with the English-speaking Caribbean Community (Caricom) and Suriname.

Mexican President Carlos Salinas de Gortari, Interim Venezuelan President Ramon Valasquez, and Colombian President Cesar Gaviria spoke of their countries' interests in relation to Caricom and Suriname during the official opening of an historic summit with the leaders of Caricom and Suriname. Gaviria said Colombia, with a population of 35 million, wanted to develop more trade with Caricom, and was willing to open up its market to Caricom goods provided that Caricom, after a longer transition period, reduce current barriers for Colombian products.

"We have proposed to the members of Caricom, the negotiation of a commerical accord that benefits all sides," the Colombian president said. "Of course, this agreement will take into consideration ... differences that exist between our relative levels of economic development. In other words, we are seeking to agree on a formula that provides for a reciprocal, asymmetric framework...to feed the strongest economies of the region as well as to consider all the benefits for the less developed countries of the area," Gaviria added.

Mexican President Salinas de Gortari said his country, which has a population of 88 million, too was willing to open up its market to Caricom goods. "We want to promote freer trade north of our borders, ...south of our borders and certainly we want to promote much freer trade....In the Caribbean Community," he said. "Mexico is determined to be part of this community and Mexico is willing to open its market to freer trade to the Caribbean Community." He added.

Mexico, Colombia and Venezuela make up an integration grouping known as the Group of Three. Gortari also said Mexico was interested in following Venezuela and Colombia in working out a framework agreement with Caricom and Suriname for free trade. "The potential of this initiative is enormous," he said.

From the start of this year, Venezuela put in effect a one way free trade arrangement for Caricom exports. The arrangement is for five years in the first instance. The proposed arrangement involving Colombia is still under negotiation. In his speech, Interim Venezuelan President Ramon Velasquez, appointed earlier this year following the suspension of Carlos Andres Perez who faces corruption charges, assured Caricom that the political will of Venezuela's 20 million population is for closer ties with the English speaking Caribbean.

He spoke against the backdrop of general elections next month in which the ruling Democratic Action party, which traditionally has championed closer ties with the Caribbean, is facing the prospect of defeat. "...The political scene in Venezuela is awaiting change and looking towards a new stage in our history," he said. "Whatever the future, the winning party or the candidate that becomes president of the country, the will remains the same, that is to continue this policy.. (of pursuing closer ties with the Caribbean)."

G-3, Caricom Sign Declaration

PA1410042893 Mexico City Canal 13 Television Azteca Network in Spanish 0300 GMT 14 Oct 93

[Report by special correspondent Jaime Guerrero in Trinidad and Tobago]

[Text] Shortly before departing for Chile, President Carlos Salinas participated in the Group of 3 [G-3] and Caribbean Common Market [Caricom] summit in Trinidad and Tobago. Presidents of the 17 nations that participated in the summit issued the Port-of-Spain Declaration, in which they agreed to establish an association of Caribbean states that will include Cuba and the Central American countries. This is the first time Cuba has been considered a possible member of an association of countries with a free market economy. The declaration states that the association of Caribbean countries might become a reality in July 1994.

The North American Free Trade Agreement [NAFTA] was also discussed in Trinidad and Tobago. The G-3—made up of Mexico, Colombia, and Venezuela—warned that the United States will lose credibility in its economic relations with Latin America if NAFTA is not approved.

[Begin recording] [Colombian President Cesar Gaviria] We do not think there should be any delays. I think this would disrupt the credibility on this initiative to create a large free-trade zone throughout the continent, which is the idea we have worked on for many years. I believe the idea would lose all credibility and it would result in an in-depth change in economic relations and perspectives throughout Latin America and the Caribbean.

Therefore, given these circumstances, we believe NAFTA must be approved on this occasion, or else it will cause considerable damage to the good atmosphere that has been created for economic consensus between North America—Canada and the United States—and the rest of America.

[Mexican President Carlos Salinas] We have insisted that our goal is not to create exclusive free trade regions. Instead, we will support free trade at the world level with

the regional agreements. That is why our regional negotiations are consistent with the GATT's Round of Uruguay and the GATT's general regulations. This way we forestall any idea that we are creating an exclusive free-trade zone. [end recording]

During a joint news conference, the G-3 presidents announced the free-trade agreement between Mexico, Colombia, and Venezuela might be signed in November.

[Begin recording] [Gaviria] We have reached an agreement to launch a free-trade program effective 1 January 1994. Essentially, the agreement means we will have a 10-percent gradual and even, if we can use the word, elimination of tariffs every year until we end on the 10th year.

[Salinas] Referring to the G-3, we decided to establish an access clause for other nations, particularly for Caricom and others in the region that are interesting in joining the group. In other words, our initiative endorses free trade throughout the Latin American and Caribbean region, as part of our general offensive for free trade throughout the world. [end recording]

Caricom, Latin American Countries Sign Action Plans

FL1410003993 Bridgetown CANA in English 2205 GMT 13 Oct 93

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, 13 Oct, CANA—The leaders of the 13-member Caribbean Community (Caricom), Suriname and Mexico, Venezuela and Colombia on Wednesday signed a plan of action on trade and investment, prevention of drug trafficking, and environmental protection.

Trinidad and Tobago's Prime Minister Patrick Manning said on the second and final day of an historic summit the leaders were also expected to sign a document on the Association of Caribbean States (ACS) in Barbados next July at the heads of government conference. Manning also told reporters that while consensus was not reached on the contentious banana issue, leaders from the Latin American countries and those from the Windward Islands agreed to meet in November in St. Lucia, to arrive at a mutual position.

Latin American producers are opposed to quotas that have been retained for the Caribbean by the European Community. The Venezuela president, Ramon Valasquez, will coordinate a position on behalf of the Latin American countries, while St. Lucia Prime Minister John Compton will seek a position on behalf of the banana-producing countries in the Windward Islands.

The Trinidadian leader, who was chairman of the special summit, said while the countries would work on implementing the action plan, it was also agreed that Caricom countries and Latin America will continue to pursue bilateral trade arrangements. Caricom, which has a one-way free trade arrangement with Venezuela for five years, is currently negotiating a similar agreement with Colombia.

"What basically we agreed to in principle is that we will continue our negotiations on a bilateral basis, that is concluding our negotiations with Colombia, which we hope to conclude by the end of the year (and) that we will initiate appropriate discussions with Mexico," Manning said.

"...In all of these discussions we are aiming to access whatever arrangement the G-3 countries will enter into in a time-frame that has to be negotiated and determined, so as we continue on the bilateral route for the time being, but with a view to a multi-lateral agreement that is acceptable to the G-3 countries and Suriname," said Manning.

Cuba

Deputy Minister Reported To Request Asylum in Spain

PA1310203193 Madrid EFE in Spanish 1932 GMT 13 Oct 93

[Text] Madrid, 13 Oct (EFE)—According to a radio news report, Cuban Vice Minister Jesus Duran has requested political asylum in Spain. The COPE network said Duran, who is the highest ranking Cuban to request political asylum in Spain, has been in Spain since 2 October taking part in technical-economic meetings.

Jesus Duran registered in a Madrid hotel at 1200 (1100 GMT), where he left a Red Cross certificate as documentation. The Red Cross is the organization that is in charge of processing asylum and refugee requests. The hotel manager told EFE: "Mr. Duran left shortly after registering and has not yet returned."

Further on Asylum Request

PA1310231493 Madrid EFE in Spanish 2113 GMT 13 Oct 93

[Text] Madrid, 13 Oct (EFE)—Jesus Duran Rodriguez, who was identified by a Spanish radio station as a vice minister and by other sources as "a high-ranking official" in the Cuban regime, requested political asylum in Spain today, Wednesday. Cuban refugee circles in Spain confirmed the report to EFE.

Spanish authorities at the Foreign and Interior Ministries, however, stated that they had not received such a request. The report on Duran Rodriguez' request for asylum was first broadcast by COPE Radio Network.

EFE discovered that Duran Rodriguez registered in a Madrid hotel today. He is said to have presented Red Cross documentation. That organization handles asylum and protection requests and pays the person's expenses for the first days.

A hotel employee told EFE: "Mr. Duran left shortly after registering" this morning. Hotel personnel sources said there was a possibility that Duran would not use the room assigned to him by the Red Cross as he could be staying at the home of friends.

The Cuban community in Madrid told EFE that Duran had even gotten an appointment to meet with Spanish authorities in one month to formalize his asylum request.

Duran Rodriguez was a legal adviser in the state-owned "CUBATABACO" firm at least until June 1992, as he was one of the negotiators in the firm's lawsuit against the "Davidoff" trademark. Duran Rodriguez arrived in Madrid on 2 October to participate in several technical and economic meetings.

It was also reported today that 16 members of the Cuban National Ballet's Spanish dance group on a tour of Spain refused to return to their country, citing job engagements as their reason. Two Spanish newspapers reported today that only nine dancers out of 26 in the Spanish dance group took the return flight to Havana from Madrid yesterday, Tuesday. The dance group is under the Great Theater of Havana and the National Ballet directed by Alicia Alonso.

The 16 artists who remained in Spain sent a joint letter to the Great Theater of Havana to break their labor relations with that organization and to report that they were joining the category of "independent artists."

Danish Ship Rescues 5 Cuban Refugees Near Cartagena

PA1410013793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Oct 93

[From "National Newscast" program]

[Text] A few minutes ago, five shipwrecked Cubans who almost drowned in the Caribbean Sea arrived in Cartagena. They were rescued by a Danish ship bound for Colombia. This is another story with the same objective: leaving Fidel's island. The Cubans will be placed in custody of the Administrative Department of Security.

The Danish vessel Ocean Ady took aboard five shipwrecked Cubans in Colombian territorial waters and just docked in the port at Cartagena. Immigration authorities did not allow the media access to the pier where the vessel docked. Nevertheless, it was learned that the Cubans were bound for Miami when their makeshift boat was driven off course by strong waves, leaving them adrift for several days. The five Cubans will be placed in the custody of the Colombian authorities, and before the end of the week they will be deported to Cuba.

Travel to Miami

PA1410014193 Madrid EFE in Spanish 2306 GMT 13 Oct 93

[Text] Cartagena de Indias, Colombia 13 Oct (EFE)—Five Cubans who were rescued at sea by a Danish ship on Tuesday will travel to Miami today in the same ship that picked them up, according to Colombian authorities.

Ligia Serrucho, deputy director of the Administrative Department of Security (DAS) in Cartagena de Indias, said the Cubans who escaped from the island and who have insisted on asking for political asylum in the United States will leave for Miami today.

They are Gilberto Pedrozo Rojas, his wife Angela Planes, his son Michel, and family friends Jose Roque Hidalgo, a shoemaker, and Andres Arioza Arioza, a mechanic who used to work at a gas station.

Serrucho stated that the escapees will try to obtain an entry permit in Miami and will travel to that U.S. city aboard the Ocean Ady after Captain G. Moen agreed to take them there.

The Ocean Ady is scheduled to sail tonight at 0100 GMT for Miami, Ligia Serrucho added.

Colombian immigration authorities said the five Cubans may return to Colombia if they are not received in the United States but under no circumstance they will be deported to the Caribbean island,

The Cubans fled the island on 9 October and were rescued three and a half days later by the Danish-flagged vessel near the Colombian coast.

Commentary Notes Position on Cuban U.S. Residents

FL1210165593 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Oct 93

["Reflections" commentary by Orlando Contreras]

[Text] The meeting, in New York, that Foreign Minister Roberto Robaina just granted 150 Cubans representing Cuban communities living in different U.S. states reaffirms important aspects of our foreign policy: In my opinion, and in the first place, a frequently repeated willingness on Cuba's part to engage in dialogue with all valid interlocutors, as long as the talking is done from a position of respect and noninterference, and in favor of interests that are mutually beneficial.

As you know, Robaina is in New York participating in the meetings of the 48th UN General Assembly. These 150 members of the Cuban community residing in the United States represent residents of Florida, Mississippi, New Jersey, Massachusetts, California, New York, and New Mexico—to name, perhaps, those with the greatest numerical importance.

There is no point in going into the details of what was discussed by Foreign Minister Robaina and these representatives, since we already reported this at the beginning of Rebelde's "Exclusive" newscast.

In terms of analysis, it is significant to underline the willingness to engage in dialogue, the receptiveness to listening to other people's opinions, as long as these meetings take place—I repeat—within a framework of mutual respect. This is a principle that Cuba defends as a condition sine qua non vis-a-vis any interlocutor.

It is also important to point out the fact that there is an entire gamut of people within the Cuban community abroad; and in that vast spectrum, the number of recalcitrant counterrevolutionaries, of people who understand only the language of violence, is increasingly diminishing. I am talking about the sectors that have received official support in the United States. They constitute a marginal group of millionaires at the top, several of whom are linked to shady businesses and even, in some cases and at a given moment in time, to drug trafficking and money laundering. These people exert pressure, and sometimes violence, against the other Cubans, who prefer a path of dialogue, negotiations, and exchanges and who (?concentrate), these latter people do, on preserving and recovering their genuine Cuban cultural roots.

I think there is still a long way to go, (?if we are to have a) fertile and fruitful dialogue based on respect. There is much to do, along that path, to the benefit of all Cubans, without a priori exceptions. Among that vast community of Cubans there is, obviously, an enormous political, cultural, and economic range. It is obvious that, in a dialogue, stress should be placed on all the ties linking us, and (?on) those who, as Cubans, want to strengthen these ties. The only people excluded are those who have remained bogged down in blind violence, in the defense of illegitimate economic interests, and in the impossible determination to bring back the past.

Brazil's Da Silva, Others Demand End to U.S. Blockade

FL1410001093 Havana Radio Reloj Network in Spanish 2057 GMT 13 Oct 93

[Text] Opposition presidential candidates from five Latin American countries have formed an anticorruption front and demanded that the United States remove its military bases from Panama and end its blockade against Cuba.

These demands are included in a declaration signed yesterday in Cartagena, Colombia, by Antonio Navarro of Colombia, Luiz Inacio "Lula" da Silva of Brazil, and Ruben Zamora of El Salvador. Cuauhtemoc Cardenas of Mexico and Ernesto Perez of Panama have endorsed the declaration by telephone.

The declaration added that the anticorruption front seeks to effect radical changes in both political and government administration practices. Among the main tasks to be addressed by a leftist government is the struggle to prompt a Yankee withdrawal from Panama and an end to the blockade against Cuba.

The five presidential candidates have assigned priority to the need to promote structural changes in the region. They stated that in order for peace processes to be far-reaching, they must go hand in hand with international solidarity and institutional changes. They also called for a collective solution to the debt problem, which they regard as a responsibility that must be shared by creditors and debtors alike. They stated that Latin America will be unable to achieve development if it continues to be forced to export the capital resources it needs for its development.

Regarding Washington, they posed the possibility of putting an end to an obsolete hegemonic Pan American structure and to promote constructive relations, trade, and cooperation. They also criticized the neoliberal

model adopted by countries of the region and noted that a new continental order must be based on acknowledgment that this model has failed.

Sugar Industry Ministry Addresses New UBPC

FL1210031693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Oct 93

[Text] The process of forming the Basic Cooperative Production Units [UBPC] in the cane sector continues. The cane sector UBPC formed at the El Cedro cane camp [batey] in Ciro Redondo Municipality, Ciego de Avila Province, bears the name "Ernesto 'Che' Guevara." In February 1963, very near the place, in the La Norma area, the heroic guerrilla participated in the tests on the first cane-cutting machines. Hence the reason that for these workers, their daily work is linked to this historic event. This is one of the 1,500 UBPC's to be formed in Cuba in cane agriculture.

This UBPC's unanimously elected president, Orlando Garcia, announced, as immediate tasks for the work group, pushing the weeding of the cane, priority attention to the machinery, and the planting of several crops that will make possible an increase in food self-sufficiency for the workers and their relatives.

Following the signing of the document forming the UBPC, Comrade Nelson Torres, minister of the Sugar Industry, urged the members of this new economic structure to use the available resources rationally and to wage the struggle to increase cane production.

[Begin recording] And that is the challenge to all us Cubans: to produce a far greater volume of cane with fewer resources. The country will gradually pull out of the special period to the extent that we can meet that challenge. And it is we, the nation's men, on whose shoulders lies the responsibility of pulling the country out of the special period as quickly as possible. And this work group has today expressed that desire to really work for all Cubans and for the entire society. [end recording]

* Weekly Announces Cutback in Publication

94P20019A

[Editorial Report] The Havana weekly BOHEMIA in Spanish of 17 September 1993 announces that due to "paper shortages and the inability to purchase paper on the international market" the magazine will be published biweekly starting with this issue.

* Goose Down Earns Hard Currency

94P20019B

[Editorial Report] Havana JUVENTUD REBELDE in Spanish of 12 September 1993 on page 2 reports that, according to Fabian Cespedes, who heads the geese-raising department of the National Poultry Farm Union, goose products are contributing to the country's hard-currency earnings. The article explains that Cuba's exports of goose down to Japan, Italy, Canada, Spain, and Chile earn between $50,000 and $70,000 per ton. In addition, exports of canned goose liver earn $8 per kilogram.

Economist Discusses Economic Reform Goals

PA1410041093 Havana Radio Havana Cuba in Spanish 0100 GMT 13 Oct 93

[Interview with Economist Pedro Monge by Barbara Betancourt; place and date not given—live or recorded]

[Text] [Betancourt] Whenever there is talk about economic reforms, or almost always when there is talk about economic reforms, there is a tendency to believe that the nation will make a complete about face, even in politics, in political power matters. In so far as I have knowledge of this unique experience, we are making economic transformations directed precisely by the state. What can you tell me about this?

[Monge] That is a very interesting and much debated issue. I believe several things must be said here. An economic reform is understood as a serious transformation of the state's structure—by the way, an economic reform is always initiated by the government; that is by the political groups in power. In the case of Cuba, obviously it is by the Cuban Communist Party. To achieve a more efficient state is not the most important objective of an economic reform, although it is one of the goals outlined in every economic reform. In practice, however, and I believe this needs to be stressed, an economic reform occurs because it seeks to guarantee political domination under new conditions.

In the case of Cuba, obviously, the economic outlines for Cuba's reintegration into the world—besides a number of internal problems that the Cuban economic model has—have made it very clear, very evident, that the Cuban system, the Cuban revolution, requires a reform of its economic foundations. Therefore, the economic reform, although it could introduce a number of political risks, also must be seen from a positive angle. Economic reform can give the opportunity, it can be the opportunity to carry out a restructuring, a reconstruction of the economic foundations of that political project, which is the revolutionary political project in Cuba. I insist there is a risk; however, the risk one cannot run is to stand paralyzed and not make the necessary changes.

Of course, there are going to be a number of changes. In my opinion the main changes will be that the level of the state's participation is going to change. That is, the state's participation will not be ever-present and ingrained in every sector of the economy. There are a number of sectors of the economy that will have greater direct state control, because the state has demonstrated its efficiency in these. A typical example is education, public health, development of some scientific branches, or strategic sectors of the economy. Nevertheless, in other sectors of the economy, the state's participation will be more flexible. That is, the state will act more as an

administrator, more as a controlling entity, through indirect mechanisms. Yes, definitely in some areas we will be more like cooperatives of small private ownership, and why not, this is a possibility that can be taken into consideration. In addition to this, there is the presence of foreign capital. In the case of Cuba, as anywhere else in the world, there are specific laws for foreign capital that is invested in the country.

I believe this is important, it must be said clearly, that the economic change taking place in Cuba is directed by the state. It is being implemented with not too specific social objectives. This is what is most important because the failure or the success of an economic reform does not depend that much on the technical design of the economic reform. That is, it does not depend on how the economists or the experts have outlined the reform, rather it is on the overall political context that goes hand in hand with that reform. What makes a reform fail or succeed is the political support it receives. The facts are demonstrating to us that in the Cuban case, that reform, those economic changes, were drawn up, aimed at maintaining the political coalition that has allowed the revolution to remain in power for over 34 years. In my opinion, while the possibility to maintain that political coalition exists in Cuba, the economic reform will progress in one direction, consistent, compatible with that goal, independent of the fact that it is more or less a state mechanism.

[Betancourt] I want to ask one last question. I do not want you to feel in any way up against the wall. This is not my intention. I am currently speaking with you as an economist, as a university graduate, as a well-read person who moves about in those circles. I want to know, how are the changes responding to the most modern aspects of traditional world economy?

[Monge] This is an interesting point. I believe it must be acknowledged that my colleagues in Cuba in charge of managing the economy, particularly of introducing these changes in the Cuban economy, are doing this not only taking into consideration the political aspects the previously described process entails. They are audacious and daring in the reforms they are presenting. What is more, I will be very frank, some of the measures that have been presented are met with a number of ideas even more advanced than those the Cuban experts had taken into consideration. Of course, the Cuban State apparatus in charge of the economy is engaged in an analysis, a reflection, on the experiences of reforms that have failed and those that have not failed.

Certainly, there is an effort to integrate this creatively into the current Cuban policy. What no one can guarantee is that all the measures taken will be effective. That is, this is a complex process, I would say it is a learning process. The designers of policies and the institutions that apply economic policy in Cuba have made mistakes in the process and they probably will continue to make mistakes. However, one must recognize that they have also achieved a number of successes.

A series of areas in the Cuban economy were changed about three years ago and they have achieved important development. This involves the most varied forms—from those using a market economy to those involved in international tourism, and others that deal with the development of the pharmaceutical industry—which has much greater direct management by the state. This proves a series of specific successes have been achieved through the implementation of those economic changes. In my opinion, you cannot ask the Cuban State to have a flawless, complete, perfect model that will be immediately implemented without problems. I believe that, given the pressures and current urgencies in the Cuban economy, that model will be created progressively.

The most important thing is not to have all the details. What you must clearly know are the principles and limits of the process—and I believe that already exists. I believe the most important thing is that we have proved the comrades in charge of doing this in Cuba have learned quickly—regardless of the errors, excesses, and defects they may have incurred during this recent experience—and the Cuban State has the capability, flexibility, and ability to adapt very quickly. Regardless of the difficult economic situation, I think this raises our expectations and allows us to feel somewhat optimistic—a reasonable, meditated optimism.

We cannot believe problems in Cuba will be solved in two, three, or four years—not even in 10 years or more. The important thing is that a process has been initiated and an effective solution to our problems is evident. I believe we have the conditions to achieve this.

[Betancourt] Thank you, Pedro Monge, for these statements to Radio Havana Cuba. I also ask you to participate in another dialogue, once you conclude your current research on investments and economic opportunities.

Cuban Politician Rolando Prats Interviewed

PY1310230593 Montevideo BRECHA in Spanish 24 Sep 93 p 28

[Interview with Rolando Prats, president of the Socialist Democratic Current, Corriente Socialista Democratica, by Nelson Cesin in Uruguay—date not given]

[Text] [Cesin] Its leaders have stated that the Cuban Revolution is currently facing the worst crisis in its history, in which the main question appears to be the course to be taken in order to remain upright.

[Prats] This is true. The Cuban crisis may result in a drift toward a more democratic socialism or, if Cuban exiles seize power, into a more or less dependent capitalism. The essential opening that Cuba must implement depends on the government's ability to take initiatives and on the Revolution's leadership to establish alliances with the forces of the left spread inside and outside Cuba. These forces now demand space to dissent within the Revolution, not to oppose it.

[Cesin] Thus, your group does not challenge the Revolution's historic leadership.

[Prats] A debate between this leadership and the political potential of younger people (both those within the government apparatus and those who are not) is required. It is no longer important to speed up this debate, but we should seek a strategic alliance—to close ranks—with the Communist Party converted into the Cuban democratic left... This historic leadership has not demonstrated enough ability to take initiatives and to increase the political basis of a social project involving the Cuban Revolution.

[Cesin] Some U.S. congressmen believe that the Cuban regime's fall would be quickened if the economic blockade were to be lifted. The U.S. Government, however, deems it essential to continue the pressure on Cuba.

[Prats] For many years the economic blockade was a reason for political reaffirmation by the Revolution rather than a factor of real incidence on the Cuban economy. Following the fall of socialism, we may really notice the economic impact of the blockade and the shortcomings of the Cuban economic development so as to endure the departure of its allies.

Anyway, the blockade is immoral and illegal. A legal basis for it was sought through condemning a government that violates human rights and that is undemocratic. Nevertheless, the human rights situation in many other countries is much more condemnable, but no sanctions are imposed on them. I believe Cuba does not represent a foreign policy problem for the United States: It is a domestic problem as there is a significant Cuban population in Florida.

[Cesin] If a type of opening—like the one internationally demanded from Cuba—is prompted and the Nicaraguan situation is used as an example, would the Revolution be forced to leave aside a good portion of its social achievements?

[Prats] It depends on how the opening takes place. If it takes place at the initiative of the Communist Party leadership—promoting it with the participation of all social segments and allowing the people unrestricted space for their expressions—there would be nothing to fear. There is not one Cuban, in their right mind, who wants a health system that will cost 60 percent of their salary. In addition to the levels of social justice achieved, the people want political freedom to prevent social justice from becoming a sort of state blackmail against society. Political freedom cannot depend on social justice. Concerning the possibility of capitalism entering Cuba, it depends on the types of change discussed and on who will promote it.

[Cesin] In this transition you, therefore, attach an important role to the current party and government structures.

[Prats] If you want a peaceful and gradual change in a country like Cuba, where civilian society has been systematically destroyed, there is no alternative but to implement changes from within the framework of the existing institutions. I even believe that the current electoral legislation might allow a democratization of the power structures. This would be the most rational and pacific alternative because the alternative involves dismantling the current system and this is not possible without encountering resistance, not just from those in power—because the past election results indicate that the majority still support Fidel.

[Cesin] How do you explain electoral support for a government, which, as you say, curtails freedom and has been internationally accused of being profoundly antidemocratic?

[Prats] Notwithstanding official remarks in Cuba, these elections were not a plebiscite because there was just one alternative. I would say they represented a popular vote process, but they were not elections. They were held under Cuban law. I do not believe that a fraud was committed or that the results reflect coercion. It is true that there are direct and indirect forms of coercion. We dissidents were unable to vote on equal conditions in the assemblies to nominate candidates. In addition, the mass media is in the hands of just one power.

[Cesin] The existence of your political group tells the world that it is possible to dissent in Cuba.

[Prats] It is possible to dissent in Cuba, but it costs you dearly. Not one single dissident group has legal status, even though many of us have been to the authorities seeking it. The authorities do not respond even though they are aware that they are violating their own rules such as the Labor Code and the freedom of association. There exists in Cuba an acquiescent illegal status in which there is a sort of an unspoken limits agreement between the state and society, an agreement that we do not intend to break.

[Cesin] How much weight do you attach to your organization?

[Prats] Very little. If we are not physically wiped out of the political field, we could have a certain potential to attract people from the Communist Party, young people, and intellectuals who favor an opening. We are saying to the Communists that, as they are the real force, they have the duty of driving us toward revolutionary positions and not toward the enemy's field by increasingly cornering us. For the time being, we are just a political symbol and a message that there is a third position in Cuba.

U.S. Approval of Cubana Flight to Ponce Games Welcomed

FL1410033593 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Oct 93

[Text] As our station reported earlier, the United States has announced its authorization for Cubana de Aviacion jetliners to make direct flights from Havana to Ponce, Puerto Rico, to take the Cuban athletes who will participate in the Central American and Caribbean Games. The announcement was made in a note sent to our station by the National Sports, Physical Education, and Recreation Institute [Inder]. The note says:

The organizing committee of the 17th Central American and Caribbean Games, which will begin in the city of Ponce, Puerto Rico, in November, today officially announced the approval of direct flights for the Cuban delegation to that island. The news was conveyed by telephone by Dr. Hector Lopez, president of the '93 Games, to Inder President Conrado Martinez Corona, who will head the Cuban delegation.

Lopez said that in response to a request submitted on 10 September, the committee over which he presides received a letter from the Immigration and Naturalization Service of the U.S. Department of Justice authorizing the landing of Cubana de Aviacion jetliners at the Merceditas airport in Ponce. In this respect, we will proceed to carry out the technical and organizational steps required for the trip.

The Cuban sports sector has received this news with great happiness and the decision is considered to be an act of true justice that will enable the oustanding Cuban athletes to compete again in Puerto Rico.

Intur President Meets With PRC Vice Premier

FL1310190393 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Oct 93

[Text] In Beijing, the Chinese vice prime minister stressed on 13 October that despite the geographic distance, tourism exchanges between Cuba and the PRC are very important and should be promoted. The PRC leader made this statement during a meeting with Rafael Sed Perez, president of the Cuban National Institute of Tourism [Intur], who arrived in the PRC last weekend. Sources of the Latin American diplomatic mission affirmed that the delegation headed by Rafael Sed Perez carried out a busy agenda in Beijing.

Delegation to Dominica Seeks Support Against U.S. Embargo

FL1310184893 Bridgetown CANA in English 1825 GMT 13 Oct 93

[Text] Roseau, Dominica, 13 Oct, CANA—A Cuban delegation was expected to meet Dominica Government officials on Wednesday to give a briefing about the crippling effect the 30 year old U.S. economic blockade was having on the communist-ruled Caribbean island.

Omar Cordoba, head of the Caribbean Section of the Cuban Communist Party, said Cuba believed the Caribbean Community (Caricom) can play a pivotal role in influencing the United States to end the embargo.

"...Caricom ... is a regionally strong organisation that has tremendous influence in certain hemispheric [words indistinct] told reporters.

"Dominica as part of Caricom could help as well as other members of Caricom, to lift that blockade against Cuba. In fact, many countries of the English-speaking Caribbean are against that blockade because they recognise that it's really criminal and inhumane action against as small a Caribbean country as Cuba is." The Cuban delegation has been touring the eastern Caribbean.

Rodriguez Stresses PRC Right To Conduct Nuclear Tests

FL1310161593 Havana Radio Reloj Network in Spanish 1502 GMT 13 Oct 93

[Text] The Government of Cuba reaffirmed today that the PRC is entitled to conduct nuclear tests as long as the rest of those who have nuclear weapons ignore the peoples' call to reach a complete disarmament. In a PRENSA LATINA interview in Beijing, Foreign Vice Minister Mario Rodriguez stressed that the communique of the Ministry of Foreign Relations supports this goal. Regarding the nuclear tests conducted by the PRC, Rodriguez added: If this is not attained, in the future certain countries will be armed while others are not. Then different expressions of the cold war will emerge.

Rodriguez described as correct Beijing's argument that nuclear test moratoriums seek to secure the hegemony certain nations have over others.

Official Seeks Economic Accords in Southeast Asia

FL1310143393 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Oct 93

[Text] Foreign Vice Minister Mario Rodriguez has stated in Beijing that during a tour of Malaysia, Singapore, Thailand, Indonesia, and Brunei, scheduled to begin on Friday [15 October], contact will be made with representatives of commercial and economic sectors to whom Cuba can offer actual guarantees to develop advantageous accords in areas such as tourism and biotechnology.

Center Holds Reception for Visiting Americans

FL1310143193 Havana Radio Progreso Network in Spanish 1200 GMT 13 Oct 93

[Text] One hundred seventy-five U.S. citizens of different ages, part of the "Freedom to Travel" group, have

been in our country since Sunday [10 October] in defiance of the U.S. Government's prohibition to its citizens to travel to Cuba. Pedro Costa informs this newscast's listeners by telephone:

[Costa] The second day of activities in Cuba of the 175 Americans who make up the "Freedom to Travel" campaign ended with a meeting at the Martin Luther King Memorial Center and attendance at a folkloric show by amateurs from the (Povoloti) neighborhood.

Baptist preacher Reverend Raul Suarez, director of the Martin Luther King Center, had a reception for the Americans at the headquarters of this non-governmental organization. Suarez, who is also a deputy to the National Assembly, welcomed them to the center, and emphasized how touched he is by the gesture of defiance of the blockade the trip by this group of Americans constitutes.

Suarez stressed that the action of the "Freedom to Travel" campaign's participants is a great encouragement to all Cubans, believers or non-believers, who strive daily to carry forward the social project despite the difficulties.

As part of the activities program, the 175 Americans visiting Cuba toured three museums in the capital: the Museum of the Revolution, the one dedicated to the history of the capital, and the Music Museum. The group members also began construction work on a children's playground in Alamar.

On the third day of their visit to Cuba, this group of Americans opposed to the prohibition to travel to our country as part of the blockade will visit agricultural-livestock production cooperatives, rural communities near the capital.

This is Pedro Costa reporting.

'Highest Rate' of Blood Donors Since 1962 Reported

FL1310130293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Oct 93

[Text] Many activities have been scheduled in various provinces from 16 to 22 October as part of a nationwide drive to pay tribute to blood donors.

During the last stage of their work, the Committees for the Defense of the Revolution [CDR's] have obtained more than 470,000 blood donors, the highest rate since this voluntary, humane movement started in 1962.

From the international standpoint, Cuba has a high percentage of donors per number of inhabitants. It is now working to reach the year 2000 with the percentages recommended by the World Health Organization; that is, one donor per 20 inhabitants. At present, Cuba has one donor per 22 inhabitants. Highly scientific procedures are followed to draw, process, and use human blood.

Blood donations in Cuba account for more than 80 percent of the total amount of blood drawn in the country annually. This reflects the high degree of awareness and solidarity of our people.

During this stage of work, the CDR's are determined to obtain no less than 485,000 voluntary donors. To this end, each province is set out to obtain specific goals every month.

Inter-Caribbean Affairs

CAIC Leader Calls for Lobbying To Defeat U.S. Market Bill

FL0810184393 Bridgetown CANA in English 1450 GMT 8 Oct 93

[Text] Georgetown, Guyana, 8 Oct, CANA—President of the Caribbean Association of Industry and Commerce (CAIC) Yesu Persaud, has called for intense regional and extra-regional lobbying to defeat a bill before the United States Congress aimed at blocking Caribbean agricultural products from entering the U.S. market.

"It's a frightening state of affairs because the bill itself is aimed at Caricom (Caribbean Community) in general," Persaud, chairman of the rum manufacturer, Demerara Distillers Limited (DDL), told reporters Thursday.

Persaud said U.S. lawmakers behind the bill, led by Congressman Tim Johnson of South Dakota, were reacting to the high regional tariffs levied on U.S. agricultural produce entering Caribbean Community (Caricom) countries under the Common External Tariff (CET). Persaud said some U.S. lawmakers regarded the CET to be running counter to the "basic principles" of U.S. trade.

Persaud said if the Caricom Market Access Act was passed it could, "destroy the fabric of Caricom and thousands and thousands would be out of work".

The bill is targeted at ensuring continued U.S. rice exports to Jamaica, Persaud said, adding that Guyana and Jamaica were the two Caricom countries likely to be affected the most.

The CAIC head said he had a "very good hearing" in talks with the powerful Rice Millers Association of the U.S. on a recent visit to the U.S. He also met with officials of the U.S. State Department and aides closest to some of the congressmen behind the bill.

Persaud added the U.S. lobbyists were at work to win the Jamaica rice market for American rice producers. "We also have to use measures at our disposal and that means government, the private sector and the population as a whole to preclude this bill from going through Congress. It's a very serious state of affairs," said the businessman.

The CAIC president said he was certain the issue would be on the agenda of next week's meeting of Caricom governments and the Group of Three in Trinidad and Tobago.

"The CAIC considers this bill inimical to the interests of both Caricom citizens and the American people," Persaud said.

Persaud, who is also president of the umbrella Private Sector Commission (PSC) here, said the U.S. State Department was "sympathetic" to the anti-Caribbean rice lobby but was unable to do anything to help the region.

"The State Department cannot withdraw a bill once the bill has enough backers to go through the U.S. Congress," he remarked.

Persaud added the CAIC was attempting to gather the resources to retain lobbyists in the United States and save the 80,000-tonne rice market for Guyana, now threatened by American rice under the U.S. Pl-480 food aid programme. The programme, he said, was originally intended to ship non-tariff American rice to nations in emergency cases.

Guyana, he continued, would have to do all in its power to block the bill. The CAIC president estimated the American action could directly affect the lives of nearly 200,000 Guyanese in the rice industry.

He suggested that Guyana obtains the services of a lobbyist to represent its cause.

Persaud quoted a letter from U.S. Congressman Bill Emerson of Missouri to U.S. Treasury Secretary Lloyd Bentsen, Agriculture Secretary Mike Espy and Secretary of State Warren Christopher which called for "urgent action" to recover the Jamaica market for U.S. producers.

"No U.S. rice (to Jamaica) means no debt forgiveness (to Guyana)," said Emerson, who represents a rice-growing state. He called for reciprocal action from Guyana, adding the United States had written off large portions of Guyana's debt.

"So these guys are playing hard," said Persaud.

CBU Plans To Cover Aristide Return to Haiti

FL0910141093 Bridgetown CANA in English 2039 GMT 8 Oct 93

[Text] Bridgetown, Barbados, 8 Oct, CANA— The Caribbean Broadcasting Union (CBU) is sending a three-member team to Haiti later this month, to provide Caribbean viewers with coverage of ousted Haitian President Jean Bertrand Aristide's return to power.

General Secretary Leo de Leon told reporters at a press briefing Friday CBU would "seek to provide viewers in the Caribbean with "possible" live coverage from a Caribbean perspective "if it is technically possible." He said if live coverage "cannot be provided", the CBU would produce two special documenatary features "to cover and report on the circumstances" surrounding Aristide's arrival.

"We are attempting to give to the Caribbean a picture, not yet seen of that country, of its turmoil, of its suffering, and perhaps, of its attempted solutions to that suffering from a Caribbean perspective. We have seen many pictures taken by non-regional television crews. We will attempt, as the CBU, to deliver those pictures through Caribbean eyes and in Caribbean words with Caribbean voices," Leon said. The CBU secretary general said the event is "the most significant one" undertaken by the CBU to date.

Leon said the visit to Haiti was made possible because of assistance from the German-based Friedrich Ebert Stiftung Foundation (FESF), which facilitates CBU' development projects, the Caribbean Conference of Churches [CCC] and the Dominica Coconut Growers Association, the chief sponsors of the visit.

He said the FESF and the CCC, along with the Organisation of American States (OAS) have structures in place to provide for the safety, accomodation and protection of the CBU team. Under a United Nations-brokered accord, Aristide is to reassume the presidency on October 30.

Other coming CBU activities include live coverage of next week's Caribbean Community/Latin American heads of government conference in Trinidad and the Commonwealth heads of government conference in Cyprus later this month.

Barbados

Sandiford Leaves Summit Meeting for Medical Attention

FL1310170893 Bridgetown CANA in English 1612 GMT 13 Oct 93

[Text] Port-of-Spain, Trinidad, 13 Oct, CANA— Barbados Prime Minister Erskine Sandiford complained of feeling unwell while taking part in a summit here involving the leaders of the Caribbean Community (Caricom) and Suriname and the presidents of Mexico, Venezuela, and Colombia, a Trinidadian Government official said.

The official said the prime minister had gone to the Mount Hope Medical Complex for attention. He denied reports that Sandiford had collapsed.

Dominican Republic

* June Poll Favors Youth Over Experience

93CA0203C Santo Domingo EL SIGLO in Spanish 21 Jul 93 p 7B

[Report by Margarita Cordero]

[Text] Chronological youth and new ideas are favored by 51 percent of the electorate as qualifications for the next president of the Republic. Experience is given second priority.

This is revealed in the survey conducted for reformist Senator Jacinto Peynado of the National District last June.

In contrast, 45 percent of those surveyed responded that the future president should be a mature man with enough knowledge and experience to run the country. Three percent abstained from expressing an opinion.

Those who expressed the first opinion are, naturally, members of the Dominican Revolutionary Party (PRD) and the Independent Revolutionary Party (PRI), parties that have candidates under the age of 60. The opposite opinion was expressed by reformists and supporters of the Dominican Liberation Party (PLD), who belong to the second group.

Nevertheless, when the percentages are broken down by party preference, 29 percent of the reformists and 31 percent of the PLD members favor a young man. Among the PRD and PRI supporters, 24 percent and 31 percent, respectively, favor a mature and experienced president.

Even among undecided voters, a young candidate with new ideas is more heavily favored, amounting to 55 percent of the total. Only 33 percent of this group shares the opinion that maturity and experience are necessary.

Age and Health

The above opinions seem to be associated with voters' perception of the physical conditions of President Balaguer and Professor Juan Bosch.

Eighty percent of those surveyed agreed that for reasons of health, the president should not run again, while 18 percent believed the opposite. Among the former group, 61 percent agreed strongly with the statement, while in the latter group, 14 percent disagreed strongly with it.

When the respondents are classified according to their party preference, 61 percent of the reformists think their leader should not run again. The same opinion is held by 84 percent of the PLD voters, 91 percent of the PRD supporters, and 97 percent of the PRI members. Thirty-six percent of the reformists, 13 percent of the PLD supporters, 8 percent of the PRD voters, and 3 percent of the PRI members disagree that the president's health is a limitation in the election.

A lesser but also significant percentage of the electorate believes that for the same reasons, Professor Bosch should not head the purple ticket. Thirty percent feel he should be a candidate.

Among PLD members, 40 percent think Bosch should stay out of the race. The same opinion is held by 67 percent of the reformists, 78 percent of the PRD voters, and 77 percent of the PRI supporters. Fifty-eight percent of voters in the PLD, 31 percent of Balaguer supporters, 20 percent of Pena Gomez supporters, and 23 percent of Majluta supporters disagree with this assertion.

Undecided voters also took a stand; 78 percent of them think President Balaguer should not run for health reasons, and 70 percent feel that way about Bosch. Only 17 and 23 percent, respectively, do not think the two leaders' health is an obstacle.

President Allied With the Right

Seventy-three percent of those surveyed by the Hamilton and Staff polling firm think it is a good idea for the next president of the Republic to be allied with the political right, since that would mean more capitalism and less participation by the state in the economy.

This group is not unanimous in its opinions; 41 percent strongly agree with the above assertion, while 32 percent moderately agree with it.

The strongest supporters of such an alliance are the reformists, with 58 percent. They are followed by PRI voters, 45 percent; PRD members, 35 percent; and PLD supporters, 29 percent. Among those who moderately agree with the assertion, PRI supporters are in the lead with 37 percent, followed by reformists with 30 percent and PRD and PLD voters, with 31 percent each.

The possibility of an alliance with the left, which would involve more socialism and state intervention in the economy, is supported by only 16 percent of the respondents, with 12 percent agreeing moderately and 4 percent agreeing strongly.

Among those who share this opinion, PLD supporters account for 18 percent, PRD voters 18 percent, PRI members 5 percent, and Christian Social Revolutionary Party (PRSC) voters 3 percent.

The majority of undecided voters also support the idea of an alliance with the right, expressing the same opinions as those who intend to vote for a specific party. Of this group, 37 percent moderately agree and 29 percent strongly agree.

The second option, an alliance with the left, is moderately supported by 7 percent of undecided voters and strongly supported by 3 percent.

* Poll Favors Pena Gomez Above All Candidates

93CA0203B Santo Domingo EL SIGLO in Spanish 21 Jul 93 p 7B

[Report by Margarita Cordero]

[Text] Presidential candidate Jose Francisco Pena Gomez defeats his competitors in five hypothetical election scenarios designed by the polling firm Hamilton and Staff. In the first scenario, involving the leaders of the four majority parties, the candidate of the Dominican

Revolutionary Party (PRD) edges out President Joaquin Balaguer, the second most popular candidate, by seven points.

In the four remaining scenarios, Pena Gomez comes out even further ahead. In the one positing President Balaguer, Juan Bosch, Jacobo Majluta, and an independent Fernando Alvarez Bogaert as the main candidates, Pena Gomez wins 36 percent of the vote, while Balaguer garners 27 percent. In that same hypothetical combination, Bosch wins 16 percent, Majluta 7 percent, and Alvarez Bogaert 3 percent.

With President Balaguer out of the running, the candidate for the Dominican Revolutionary Party still wins with 37 percent of the vote, while Alvarez Bogaert gets 23 percent, Bosch 17 percent, and Majluta 9 percent.

He garners the same percentage in the fourth scenario, with Jacinto Peynado running as a reformist candidate and getting 20 percent of the vote, while Bosch and Majluta come in at 18 percent and 10 percent, respectively.

And finally, with Bosch replaced by Lidio Cadet, Pena Gomez still gets 37 percent, but the Dominican Liberation Party (PLD) candidate drops to 14 percent. Balaguer wins 28 percent, Majluta 7 percent.

The scenario that excludes President Balaguer elicited the most undecided responses, 15 percent. The one including him drew the smallest number of undecided responses, 11 percent.

The Hamilton and Staff survey, of which EL SIGLO has a copy, was conducted for Jacinto Peynado, the reformist senator representing the National District who would like to be his party's presidential candidate.

This is the fifth in a series of polls conducted by the same firm since May 1991.

Ups and Downs

In June of this year, the month when this poll was taken, Pena Gomez had the favorable ratings indicated for the first of the scenarios. Between the first poll and the fifth one, the PRD candidate dropped five percentage points.

According to the data compiled by Hamilton and Staff, Professor Juan Bosch has had the worst results: In May and November 1991 he was favored by 27 percent of the electorate, in May 1992 he slipped to 18 percent, and in November of that year and June of this year, he stagnated at 17 percent, third place in the ranking.

President Balaguer has gone in the opposite direction from the PLD candidate: He went from 10 percent in the May 1991 survey to 11 percent in November; six months later, in May 1992, he surged to 23 percent, and to 26 percent in November. Last June he gained another three points.

Majluta, holding fourth place, did not see much change. From 5 percent in May 1991 and 6 percent in November, he climbed to 8 percent in May 1992 and then dropped again to 6 percent in November. In June of this year he garnered 7 percent.

Undecided

According to the survey, the percentage of undecided voters continues to fluctuate. The highest level was in May 1991, when 16 percent of the electorate was undecided.

Six months later, in November, that figure dropped sharply to 8 percent. In May 1992 it climbed back up to 11 percent, and to 14 percent in November. A month ago, 11 percent of the electorate was still undecided.

In the different scenarios presented, the absence of President Balaguer demobilizes voters and undermines the Christian Social Revolutionary Party (PRSC), although not as much as when Alvarez Bogaert is the reformist candidate instead of Jacinto Peynado. In the former case, 14 percent are undecided, while in the latter case, 15 percent are.

Without Balaguer and with Peynado, supporters of reform do not shift significantly toward other candidates, as reflected in the fact that Bosch and Pena Gomez rise by just one point (to 37 and 18 percent, respectively), while Majluta gains three points to attain 10 percent of the vote.

The one who would come out ahead if President Balaguer did not run is Alvarez Bogaert. If he were the candidate, 23 percent of the vote would go to him, six points less than the reformist leader got in the poll conducted last June.

On the other hand, when Bosch is excluded from the race, the undecided total goes up to 13 percent with respect to the first scenario, with him, President Balaguer, Pena Gomez, and Majluta. If Bosch is replaced by Lidio Cadet, Majluta keeps his 7 percent and Pena Gomez goes up to 37 percent.

According to Hamilton and Staff, the candidate least affected by any of the changes is Pena Gomez, whose percentage remains relatively stable—although it did drop five points between May 1991 and June 1993—giving him the lead in voter preferences.

* Tourism Secretary Reports on 1993 First Half

93CA0203E Santo Domingo LISTIN DIARIO in Spanish 22 Jul 93 pp 1, 14

[Report by Carmen Carvajal]

[Excerpts] Tourism Secretary Luis Taveras stated yesterday that some 800,000 tourists visited the country during the first six months of the year, an increase of 20 percent over the same period last year.

In a speech at the monthly luncheon of the American Chamber of Commerce, Taveras claimed that the number of visitors is projected to increase to approximately 2 million by the end of the year.

The tourism secretary contended that the figures for tourists coming to Dominican territory show that the so-called low season has ended.

This is because the average hotel occupancy rate in the beach areas is 80 percent, when the country is supposedly in the middle of the low season.

The official expressed concern, however, about the situation in the city of Santo Domingo, because although it has 32 percent of the hotel infrastructure, it has had an average occupancy rate of only 60 percent so far this year.

He said that this situation urgently calls for a program to develop tourism in the country's capital. [passage omitted]

Taveras reported that joint alternatives combining various sectors and various institutions are being developed to promote activities. He announced that the next activity will be the 1993 Merengue Festival, which includes the selection of the National Tourism Queen at the Light and Water Theater this month.

He also announced that next January the Market Place Caribbean Hotel Convention will be held here, and that some 1,200 people are expected to attend, including hotel representatives, tour operators, and tourism professionals from all over the world.

He also noted that this conference is considered the most important marketing meeting in the Caribbean area, and that transactions amounting to more than $30 million are involved. [passage omitted]

* Human Rights: Untried Prisoners To Go Free

93CA0203F Santo Domingo LISTIN DIARIO in Spanish 25 Jul 93 pp 1, 11

[Report by Jose P. Monegro]

[Text] The attorney general of the republic, Dr. Efrain Reyes Duluc, announced yesterday that persons in custody against whom charges have not been filed will be released, because there is no legal reason to hold them.

He explained that the cases of defendants for which no file can be found will be investigated, and if the file does not turn up and cannot be reconstructed, the defendants will be set free.

He made this statement when he appeared on the program "Corporan Saturday" and was confronted with the case of a man who has been in jail for six years, having been accused of illegal possession of firearms, a charge that carries a maximum penalty of three years.

The defendant stated that he had never gone to trial and that his case file had been lost. He said that the court responsible for his case has been unable to give him a proper explanation, and that he is being held even though he has not been convicted after six years in custody.

The television air time that is set aside on Saturdays by Color Vision was devoted yesterday to a special program broadcast from the La Fe Jail Annex.

Attorney General Reyes Duluc stated that in cases where there is no file on the jail inmate, the proper thing is to release him.

The judicial official declared that he will look into the reasons why files are lost. The particular case presented on Saturday was that of a man who has been held for six years on pretrial detention, yet has never been tried.

In addition, the trustee of the National District, Rafael Corporan de los Santos, reported that the city government and the law school of the Autonomous University of Santo Domingo will provide legal assistance to minors who are confined in the La Victoria National Prison.

Grenada

Visiting Cuban Official on Tourism Prospects

FL0910115793 Bridgetown CANA in English 2215 GMT 8 Oct 93

[Text] St. George's, Grenada, 8 Oct, CANA—Cuban authorities are concerned the Caribbean Community (Caricom) may be slowing the pace of deepening co-operation with the Spanish-speaking Caribbean territory over fears that Cuba may stifle the regional tourism industry, says a Cuban official.

"We are concerned and we know about it. At any rate we are going to develop tourism in Cuba, with or without Caricom. Cuba is a reality in the Caribbean," Omar Cordoba Rivas, who headed the first official Cuban delegation to Grenada in a decade, told CANA Friday.

He said Cuba is hoping to develop its tourism sector in harmony and co-operation with the rest of the Caribbean but cautioned it will not wait on the Caribbean Community (Caricom) to do so.

Rivas told reporters the rest of the region had no reason to fear Cuba. He added the Caribbean Tourism Organisation (CTO) member was looking for an exchange of experiences with the rest of the Caribbean. He added Cuba was working to develop a multi-destination approach to tourism including Jamaica, Barbados, the Bahamas and dominican Republic.

"We have a unique product which does not exist in other parts of the Caribbean. We believe that this is a kind of cake that can be shared among everybody without any kind of fear whatsoever," said the Cuban official, who

heads the Caribbean section of the Americas Department of the Central Committee of the Cuban Communist Party.

Discusses Areas of Cooperation

FL0910182793 Bridgetown CANA in English 1642 GMT 9 Oct 93

[Text] St. George's, Grenada, 9 Oct, CANA—An official Cuban delegation, the first in 10 years, has left the door open for co-operation and increased trade with Grenada in a range of areas. Head of the delegation Omar Cordoba Rivas told reporters Friday the visit had a "very special value".

Cordoba Rivas, chief of the Caribbean Section of the Americas Department of the Cuban Communist Party, said there were many areas in which Grenada and Cuba could develop mutual agreements, including culture, medicine, agriculture and sports. He said there was also a need to develop trading links between the two counties similar to those that exist with Jamaica, Trinidad and Tobago and Dominica. "It is very possible for us to develop this potential with Grenada," he said, adding it was now up to the government and other institutions to decide the way forward for the relationship between the two countries.

The two-member delegation arrived Wednesday and was hosted by the Maurice Bishop Patriotic Movement (MBPM) in association with the Inter Agency Group of Development Organisations (IAGDO). Discussions were held with the private sector and Prime Minister Nicholas Brathwaite.

"For us this visit to Grenada is very great and very important because it gives us the opportunity to get first hand knowledge of what is happening in Grenada and to give an idea of what is happening in Cuba," said Cordoba Rivas.

Margarita Ramirez, the other team member and representative of the Cuban Women's Organisation, was presented with EC6 000 dollars (one EC dollar - 37 cents US) for the Cuban relief effort, following two natural disasters.

Haiti

Cedras 'Deplores' Ship's Retreat, Requests UN Hearing

FL1310212993 Port-au-Prince Radio Metropole in French 1900 GMT 13 Oct 93

[Text] General Cedras held a news conference this afternoon. The head of the Army deplored the attitude of the international community, which is preparing to reorder sanctions against Haiti following obstacles to the deployment of the UN mission in Haiti.

One cannot be condemned without being heard, he says. Raoul Cedras deplored the fact that the American ship, Harlan County, had backed off so early, when a solution to the problem could still have been found. Following is an excerpt from General Cedras' news conference held this afternoon:

[Begin Cedras recording] I heard through the press that the UN Security Council intends to meet, and again will probably impose sanctions on this country. I think the principle is wrong. No one has the right to condemn someone without hearing his side. The UN Security Council always made its decisions from reports presented to it. I therefore sent a letter to Secretary General Butrus Butrus-Ghali on 12 October, asking him if it would not be better in the current situation to finally listen to the Army's voice. We deplore the fact that the ship was recalled before reaching a solution that would allow the Army and the people to have its assistance. [end recording]

Defends Violating Accord

FL1310235593 Port-au-Prince Radio Metropole in French 1800 GMT 13 Oct 93

[Report by correspondent Rotshchild Francois on General Cedras' news conference at Armed Forces headquarters in Port-au-Prince—live]

[Text] General Cedras says he regrets that the ship left while waiting for the Haitians to find a solution to this problem. Regarding the vote of the UN Security Council, scheduled for this afternoon—the council is preparing to vote on economic sanctions against the country—Gen. Cedras believes he should not be condemned without being heard. He says the United Nations should therefore hear his voice before making any decision.

Asked whether he was going to resign on 15 October as he had agreed, the general answered that although a decree was issued by President Aristide, distinguished Haitian attorneys advised him that this decree is null and void because the decree must be a law voted by the Haitian parliament.

Cedras also stated that the Governors Island agreement provides some chronological points, which should be respected point by point. This has not been done. Gen. Cedras does not believe that either President Clinton or the international community is well informed when they say that President Aristide respected the terms of the Governors Island agreement.

Before ending this press conference, the general let it be understood that for him, regarding those who are asking him not to resign: It is a personal decision that I made on Governors Island by signing this agreement in good faith. Regarding those who are asking him to keep his post, the general says: I do not have a problem. If my resignation can save the country from this situation, I am ready to do so. It is not a personal matter. But I want what is good for this country.

He then pointed out that the Governors Island agreement can still be salvaged, which is why all the parties should respect the agreement. He demands transparency for the full and complete application of the Governors Island agreement.

These were the main statements made by General Cedras, Haitian Army commander in chief, about two minutes ago at Army Headquarters during a meeting with the national and international press. We will have the statements by General Cedras later. This was Rotshchild Francois, Jr. from Haitian Armed Forces Headquarters.

Aristide Reiterates Need for Military Dismissals

FL1310214193 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Oct 93

[Text] Following hindrances to the deployment of the UN Mission in Haiti, Haitian President Jean-Bertrand Aristide said on 12 October that the departure of the Haitian military officials was essential for the restoration of democracy in Haiti. At the conclusion of a meeting with Joseph Kennedy, Democratic representative from Massachussetts, on the night of 12 October in Washington, Aristide said: Those killers stopped the process on 11 October, and their dismissals are essential for the restoration of democracy in Haiti.

Father Aristide, whose return to the island is scheduled for 30 October, also expressed his confidence that international pressure would induce the military regime to leave power as expected on 15 October.

President Bill Clinton said during a statement to the press on 12 October that Raoul Cedras and [Joseph] Michel Francois, heads of the Haitian Army and police, will have to leave their posts as provided for in the Governors Island Agreement. I do not think that the Governors Island Agreement is dead, but it has been repealed by those who have decided to hang onto power a bit longer, stated Mr. Clinton, who added that there was still a chance to see President Aristide back in power on 30 October.

Assembly President Supports Joseph Summit Proposal

FL1310221093 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Oct 93

[Text] It is a time for urgency. Deputy Antoine Joseph, president of the Chamber of Deputies, deems it urgent to convene a broader conference, gathering the officials of the constituent powers of the state around the same table. Dr. Joseph says it is so urgent that the meeting should be held within the next 24 to 48 hours. The situation is pretty serious. The parliament is duty-bound to give a ruling, says the Petionville representative.

It is in this spirit, he says, that he published his meeting proposal in a letter to the UN secretary general. This proposal is supported by four of the five parliamentary political blocs, with the National Front for Change and Democracy refusing to support the initiative.

Firmin Jean-Louis, president of the National Assembly, firmly believes that dialogue must be given priority. He therefore supports the idea of Dr. Antoine Joseph, president of the Chamber of Deputies. It will need to be explored more deeply before the modes of participation in this meeting can be established.

Dante Caputo Recommends Sanctions Against Military

PY1310214093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1537 GMT 13 Oct 93

[Text] Buenos Aires, 13 Oct (NA)—Dante Caputo, UN and OAS special envoy to Haiti, has advised the Security Council to apply sanctions against Haitian military commanders for violating the agreements on the democratization of the Caribbean island.

Caputo, who was foreign minister during Raul Alfonsin's administration, recommended reimposing sanctions, but only against those who were responsible for the recent wave of violence, i.e. the upper echelons of the military, "who have openly and definitively failed to honor their commitments."

Caputo has not specified what type of sanctions will be applied against the island if his recommendation is approved. He moreover declined to discuss whether these measures might delay Jean Bertrand Aristide's reinstatement as head of state. Sanctions would allegedly be applied against Army Commander General Raoul Cedras and Military Police Chief Lieutenant Colonel Michel Francois, who reportedly are to blame for the recent outbreak of violence.

Besides the attacks perpetrated against members of the UN official delegation, there was a strike, in which armed civilians threatened those who were going to work "and the police did absolutely nothing to prevent them from doing so."

Caputo told the daily LA NACION that he is not concerned about the criticism leveled at him by the present Haitian Government, because he considers himself "a mediator rather than a political candidate" who has the specific mission to make the feuding parties come to an agreement.

With regard to the UN embargo on trade with the island, which worsened the dire situation, Caputo said that taking such a measure "is very hard," adding that it is an "extreme decision that can only be justified when one is fully convinced that by failing to make it one would cause a greater evil."

He pointed out that the case of Haiti is different from that of Cuba, because in the case of the former "it is a matter of reinstating a government that was democratically elected, and then ousted and replaced by another one that systematically violated human rights."

In conclusion, Caputo said: "I do not think the Security Council will consider feasible the idea of imposing sanctions to restore democracy in those countries that have for many years been governed by undemocratic regimes, such as Cuba and another 40 or 50 countries."

St. Lucia

NYC Seeks Inquiry Into Protesters' Deaths

FL1010210393 Bridgetown CANA in English 1635 GMT 10 Oct 93

[Text] Castries, St. Lucia, 10 Oct, CANA—The St. Lucia National Youth Council (NYC) is calling for an enquiry into the death Thursday of two men, killed when police fired in a crowd of demonstrating banana farmers. A statement from the Council said its investigations found that one of the young men was shot while attempting to take cover and referred to Julius Joseph and Randy Joseph as having been "brutally" gunned down.

"In these circumstances, the National Youth Council rejects outright the prime minister's (John Compton) claim that the young men were shot by police in self defence," the statement, released to CANA, said. Official accounts state police fired in defence after being attacked by a mob in the Dennery, eastern St. Lucia, when they went to clear roadblocks and restore order.

Thursday marked the third straight day of protests by farmers demanding an improved price for their fruit. Youth council president Henry Mangal urged an independent enquiry into "the tragic incident."

"Indeed, it is our considered view that the right honourable prime minister has no right to pass judgement on the killings, especially since he was the one who authorised the police to use force," the statement said. The NYC accused Compton of being out of touch with the problems facing banana farmers. It said Compton had misread the "volatile" situation.

"This serious mishandling of the situation by the right honourable prime minister, himself being a farmer, is cause for deep concern, and must be the subject of a comprehensive investigation," the statement said. It added Compton, in his address to the nation Friday night, had "finally" acknowledged the "legitimacy" of the grievances of the striking farmers. In the address, Compton said police were attacked by a mob using cutlasses, sticks, stones, bottles "and virtually anything which came to hand," while attempting to remove roadblocks farmers had erected.

A spokesman for St. Jude's Hospital in Vieux Fort, told CANA at least five persons visited the hospital. He said three were treated and discharged, while the other two were admitted. One underwent surgery Friday night for a gunshot wound to the leg, the source said.

Compton Announces Banana Board Dismissals, Price Review

FL1010213093 Bridgetown CANA in English 1739 GMT 10 Oct 93

[Text] Castries, St. Lucia, 10 Oct, CANA—St. Lucia's Prime Minister John Compton has announced a price review and dismissal of the board running the banana industry amid heightened dissatisfaction among growers. The announcements followed the death of two men during a demonstration Thursday in the eastern district of Dennery and stoning of the prime minister's car.

Police fired into a group of banana farmers who were demonstrating for an increase inprices. Official accounts said police fired in defence after being attacked, but at least one group, the National Youth Council, reported one person was shot to death while taking cover.

Compton said in an address to the nation Friday, that the board of the St. Lucia Banana Growers Association (SLBGA) was dismissed with "immediate effect," and notice would be served in an extraordinary issue of the St. Lucia GAZETTE Saturday. "This having been done, the way will now be clear for the government to act to preserve the industry, and ensure it is operated in the best interest of the farmers," Compton remarked. He said the SLBGA was "completely bankrupt" because of the financial problems plaguing the ind+ustry, and was in no position to manage the troubled industry.

"When this board took over the affairs of the association, there was a surplus of 16 million dollars in the bank, kept there to act as a cushion against the very problems of low prices which we now face. Instead of a surplus, the association is in debt to the tune of 23 million dollars," Compton added.

The prime minister said that in the "immediate term" a team from the Ministry of Finance will meet with the management of SLBGA, representatives of the Chamber of Commerce, and the committee appointed by banana growers to examine the price structure for bananas. He announced government would negotiate with commercial banks, the Caribbean Development Bank (CDB) and the European Development Fund (EDF) to draft "a package of financial measures" to assist the industry until the SLBGA is "restored to financial health".

The prime minister added he would "immediately" negotiate with suppliers of fertilizers and chemicals to get their ideas on rescheduling debts. He said the SLBA owed suppliers millions of dollars. Government was also looking at appointing a new committee, drawn from various interests in the community, to prepare a new structure for the banana industry, said the prime minister.

Mexico's Salinas Cited on G-3 Integration, NAFTA

PA1310150393 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Oct 93

[Report by Jaime Guerrero from Trinidad and Tobago]

[Text] President Carlos Salinas de Gortari has ruled out that Mexico is paralyzed while awaiting the ratification of the North American Free Trade Agreement, NAFTA. Here in Trinidad and Tobago, the Mexican president reaffirmed that the key to our country's international relations is diversification, adding that he hopes negotiations for free trade agreements with Venezuela and Colombia will conclude soon. Government sources reported this agreement will be ready by the end of the year.

[Begin Salinas recording] Mexico has the best intention to conclude soon an agreement that will be beneficial to the three countries. [end recording]

President Salinas spoke moments before taking part in the inaugural session of the first Group of Three, G-3, summit comprising Mexico, Colombia, and Venezuela, together with the Caribbean community and Suriname. The president arrived on the island at 1800. He was received at the Trinidad and Tobago International Airport by Prime Minister Augustus Manning and members of the Mexican diplomatic corps.

After holding private meetings, President Salinas arrived at the main summit meeting place accompanied by Venezuelan President Ramon Velasquez and Colombian President Cesar Gaviria. This summit was described as historic. Its goal is to sign definite agreements for economic integration between G-3 and Caribbean countries.

President Salinas said Mexico has its mind set on forming part of this community and on opening its borders to integrate with an area that features a potential market of 200 million people and production worth more than $500 billion.

[Begin Salinas recording] We want more trade to boost sustained and sustainable development and, in turn, efficiently fight extreme poverty. [end recording]

As the speeches continued, the need to cast aside rhetoric was mentioned, as well as the need to carry out economic integration. The 17 heads of state and government meeting here will sign technical cooperation agreements, a plan of action, and a document on trade and investments on 13 October.

In the morning, the G-3 presidents will meet for a working breakfast. By midday, this first summit between Mexico, Colombia, Venezuela, the Caribbean community, and Suriname will conclude. Afterward, President Salinas will travel to Santiago, Chile, on a state visit to take part in the Seventh Rio Group Summit.

Belize

Belize Prime Minister Wants Closer Caricom Ties

FL1310002893 Bridgetown CANA in English 2135 GMT 12 Oct 93

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, 12 Oct, CANA—New Belize Prime Minister Manuel Esquivel says although Belize is a member of the Caribbean Community (Caricom), the Central American country often feels left out of the group because of its geographic location.

"Belize has always tried to participate fully in Caricom and we have seen progress over the years," he told CANA in an interview here Tuesday. "But we still remain on the periphery, I presume largely for geographical reasons, and we would like to see some changes made in that direction. We would like to become more a part and parcel of the whole Caricom movement."

Esquivel and his Caricom colleagues are here for an historic meeting with the presidents of Mexico, Venezuela and Colombia. He said he believed there was not enough communication and linkages between Belize and other Caricom states. Esquivel also said Belizeans knew very little about the countries in Caricom. "Sometimes they're bewildered as to what is this and why are we in it..." Stating that his three-month-old government was very much in support of economic integration within the hemisphere, Esquivel said Belize wanted to participate more fully in the wider integration movement currently taking place.

"For example, we're here to have a meeting with Mexico, Venezuela, and Colombia. This is a widening of the interest in the Caribbean. We certainly support the concept of the association of Caribbean states which will include the Latin American countries, the Central American countries that border on the Caribbean. So in that sense, I think Belize is well-placed because then, sort of geographically, we would find ourselves nearer to the focal point," said Esquivel.

Stating that an association with the non-English speaking region would be a "dynamic thing," the Belizean prime minister said this was essential because of the possible impact of the North American Free Trade Agreement (NAFTA) on the region. "...If we're left out on the sidelines, it would be to our detriment, and it seems to me that the entry point is to have our own trading arrangements in the region so that we speak with a bigger voice, and gradually, the trading integration movement is going to move further and further south until we're all in it," Esquivel said.

The signatories to the NAFTA agreement are Mexico, the United States, and Canada. NAFTA envisages the eventual creation of a free-trade zone covering the entire Western Hemisphere.

Costa Rica

Government Bans Panamanian Produce, Livestock Imports

PA1310172793 Mexico City NOTIMEX in Spanish 1529 GMT 13 Oct 93

[Text] San Jose, 13 Oct (NOTIMEX)—The Agriculture and Livestock Ministry today ordered the closing of the border with Panama to that country's agricultural and livestock products in retaliation to similar measures adopted by the Panamanian authorities.

Agriculture and Livestock Minister Juan Rafael Lizano stated the decree closed the border to agricultural and livestock products, a situation that affects 45 trailers loaded with bananas from Panama that would be exported through Costa Rica's Golfito port. According to Lizano, the measure was adopted in view of Panama's refusal to permit the entry of four trailers carrying $25,000 worth of Costa Rican onions.

An agreement on the entry of agricultural and livestock products exists between the two countries, but Panamanian authorities have not abided by it, according to the Costa Rican authorities. Although the agreement would allow Costa Rica to export to Panama 10,000 sacks of onion of 46 kilos, when the first four trailers arrived at the border the Panamanian authorities did not let them in.

In retaliation to this measure, Lizano ordered a halt to all agricultural and livestock products from Panama, noting that to permit them to enter, "the interested parties should come to San Jose to request the relevant permits," it was reported.

"We cannot let Panama make commitments and fail to live up to them," because, if the onions are not allowed to enter that country, the products would be lost and another 22 trailers with onions would not be exported, the official indicated.

El Salvador

Planning Minister Cited on Foreign Debt, New Loan

PA1310124493 Mexico City NOTIMEX in Spanish 0034 GMT 8 Oct 93

[Text] San Salvador, 7 Oct (NOTIMEX)—Planning Minister Mirna Lievano de Marquez today reported that El Salvador owes $1.927 billion to international organizations and countries that have granted it loans through bilateral agreements. She added that during a meeting held in Washington this month, the advisory group had authorized a $100 million loan to El Salvador, which is to be forwarded in the following weeks.

Lievano explained that out of the loan authorized by the World Bank and the Inter-American Development Bank

(IDB), $60 million will be assigned to the Social Investment Fund to conclude approximately 3,000 social development programs and start 2,000 more. The remaining $40 million will be allotted to the institutional agriculture program, the minister added.

"The operation will allow us to make the government's social strategy, as well as the compensatory and social reform programs, a reality," she emphasized. "This is our goal," the minister said when she explained that most of the loan is to be used to reconstruct the country's social infrastructure that broke down during the past civil war—a war that caused more than $1.5 billion in losses.

Carmen Elena de Aleman, the Foreign Credit Department chief at the Central Reserve Bank (BCR), explained that 59 percent of the country's foreign debt is owed to the World Bank, the IDB, and the Central American Bank of Economic Integration. Aleman said another 30 percent of the debt is owed to the United States—the country's main creditor—Spain, France, Japan, Canada, Germany, and other nations. The rest of the debt is owed to other credit sources.

The BCR official explained that out of the $1.927 billion debt, $1.6 billion had been assigned to public works and $260 million to bank guarantees. She did not say where the rest of the money would go.

Civilian Police Begin Working in San Miguel Department

PA1310130893 San Salvador LA PRENSA GRAFICA in Spanish 9 Oct 93 p 5

[Text] After the National Police, PN, transferred command and retreated, 379 agents of the new National Civilian Police [PNC] started to work in San Miguel Department yesterday. The transfer of command took place yesterday at the city's central park. Presidency Minister Dr. Oscar Santamaria, PNC Director Jose Maria Monterey, and other civilian and military authorities presided over the ceremony.

Monterey said: I am very pleased to preside over the transfer of command from the National Police to the PNC in the city of San Miguel. This transfer gives continuity to the provisions of the peace agreements on the deployment of this new security force throughout national territory.

In this case, he added, we will comprise two stations—one in North San Miguel and one in South San Miguel—because San Miguel is a larger department and needs a larger police force than those forces deployed in other departments.

The larger police force in this city, Monterey added, "will allow us to react faster" to citizens' calls. Besides, this contingent will have 15 cars, as well as 10 motorcycles, properly equipped with their own communications system to serve more efficiently.

Miguel Angel Varquero Rivas, subcommissioner in charge of this department, said the 379 members who yesterday received the transfer of command from the PN will be deployed to Ciudad Barrios, Chinameca, El Transito, San Luis de la Reyna, Carolina, Chirilagua, and Uluazapa.

As for the transfer of command, Dr. Oscar Santamaria underscored that "this ceremony is one of the most significant acts in civilian and political history of the eastern zone," especially in San Miguel Department, because this was considered an important part of the efforts designed to bring about the deployment of this new police corps.

Monterey said the next deployment of the new PNC will take place on 28 October in the eastern Usulutan Department.

"With this new deployment, the eastern zone will be almost entirely covered. The new police corps was previously deployed to La Union, Morazan, and San Miguel, where it is working successfully," he pointed out.

Guatemala

URNG 'Categorically Rejects' Government Peace Proposal

PA1310181193 Paris AFP in Spanish 1553 GMT 13 Oct 93

[Text] Mexico City, 13 Oct (AFP)—The Guatemalan National Revolutionary Unity (URNG) General Command "categorically rejects" the Guatemalan Government's peace proposal, according to a guerrilla communique published today in Mexico. The text states that the official proposal made on 6 October at the United Nations "is not intended to ease the negotiations; on the contrary, it is intended to cause confusion." The communique adds: "These are proposals that express the recalcitrant positions of a group of private businesses as well as those people within the Army who oppose negotiations. (The Plan) contains trifling proposals that correspond to a unilateral and biased outlook of the process."

The communique also says: "Deep down the plan is an ultimatum to the URNG, which the general command categorically rejects and does not accept because it would mean entering a disruptive process and falling prey to a maneuver intended to remove all political and social content from a negotiations process that has been internationally recognized, starting with the United Nations."

The guerrilla leaders said that the government's idea "highlights an effort to avoid signing an Overall Agreement on Human Rights which would become effective immediately with immediate UN international verification." Likewise, the communique stresses: "The government refused and avoids to recognize the URNG as a

negotiating group, a status that the UN secretary general does in fact recognize in his reply of 7 October to the government plan."

The General Command considers President Ramiro de Leon Carpio's plan no different from Jorge Serrano's plan, because, "the only thing it seeks is the URNG's capitulation, casting aside solutions to substantial points contained in the general agenda approved in Mexico City." The guerrilla leaders say: "The URNG holds President de Leon Carpio and forces that oppose negotiations responsible for the bogged down process and the consequences that will affect the country because of the breakdown in negotiations, which in fact become deadlocked."

In the communique, the URNG "reiterates its firm willingness and resolve and restart the negotiating process based on the proposal made by Monsignor Rodolfo Quezada Toruno, as conciliator in the process." The URNG believes: "(Quezada Toruno's) proposal provides for a preliminary meeting to be held to decide the basic conditions to continue negotiations and sign the Overall Agreement on Human Rights to become effective immediately together with immediate international verification."

Last, the guerrillas, called on "sectors of Guatemalan society to come together to demand fair and democratic peace, without pressures or ultimatums which only serve to contribute to making the process difficult and which exacerbate the climate of confrontation by polarizing positions."

TV Reports Rejection

PA1310232993 Guatemala City Teleonce Television in Spanish 1900 GMT 13 Oct 93

[From the "Telepress" newscast]

[Text] The Guatemalan National Revolutionary Unity, URNG, General Command on 13 October rejected the peace plan proposed by President Ramiro De Leon Carpio's administration. [10-second break in reception] the URNG leaders said if they accepted the plan they would be falling into an unfair process and the negotiations would have no political or social meaning. That was how the guerrilla leaders replied to a proposal presented by Foreign Minister Arturo Fajardo through the United Nations last week.

Sources linked to the URNG General Command had previously stated that President De Leon Carpio's peace plan would be rejected. The URNG did not formally announce its position until 13 October, when it issued a statement in Mexico City. In the document, the URNG proposed reconsidering the proposal presented by Conciliator Monsignor Quezada Torruno and holding a preliminary meeting between guerrilla and government representatives to determine the basic conditions for negotiations and to sign an overall agreement on human rights, which should be immediately implemented and subject to international verification.

Supreme Court Suspends De Leon's 28 Nov Referendum

PA1310175893 Paris AFP in Spanish 1724 GMT 13 Oct 93

[Text] Guatemala City, 13 Oct (AFP)—The Supreme Court of Justice today suspended the scheduled 28 November referendum in which President Ramiro de Leon Carpio is seeking support to purge the Congress and the even the Supreme Court of Justice, an official source indicated.

The court made its decision after accepting a petition for a provisional writ of amparo filed on 12 October by a group of deputies, who argue that De Leon is violating the constitutional principle on the independence of the state branches by seeking the resignation of all legislators and justices.

Electoral Tribunal Suspends Referendum Preparations

PA1310232693 Guatemala City Teleonce Television in Spanish 1900 GMT 13 Oct 93

[From the "Telepress" newscast]

[Text] The Supreme Court has granted a provisional amparo to the deputies, who challenged the referendum that had been scheduled for 28 November by the Supreme Electoral Tribunal.

In view of the provisional resolution issued by the Supreme Court, the Supreme Electoral Tribunal has suspended the arrangements and preparations for the referendum and will submit to the Supreme Court the records that had been requested regarding the case, according to Supreme Electoral Tribunal Magistrate Mario Guerra Roldan.

[Begin recording] [Guerra] We will accept the Supreme Court ruling to suspend all preparations for the referendum. It has already been done. We have to send records to the Supreme Court as they have requested because it is a mandate from the proper authority. We have to observe this mandate and submit the records. They are going to be turned over soon and they should be at the court by today. The proper steps as directed by the amparo will follow.

[Unidentified Reporter] Does this mean a referendum will not be held on 28 November?

[Guerra] We do not know. I cannot say because it is a provisional amparo. It means the proper authority, the Supreme Court in this case, can revoke it at any time. If an interested party files an appeal, the Constitutionality Court can confirm or revoke the provisional amparo. If it is confirmed, the suspension remains and if it is revoked, preparations for a referendum would continue.

[Reporter] What is going on at this time at the Supreme Electoral Tribunal? Are you going to continue working?

[Guerra] Not any more. When we received the note yesterday at 1800, all activities having to do with the referendum were suspended.

[Reporter] Could the date be moved back?

[Guerra] It is possible. I believe it could be moved back. I cannot say at this time because we do not know what will be determined in the future or in the immediate future.

[Reporter] Depending on what the resolution may be, would you say a referendum is unlikely this year?

[Guerra] I cannot say. It depends on how long the current situation lasts.

De Leon Carpio Address on Economic Measures

PA1310234093 Guatemala City Radio and Television Networks in Spanish 0300 GMT 12 Oct 93

[Address to the nation by Guatemalan President Ramiro De Leon Carpio on 11 October in Guatemala City—live]

[Text] Dear Guatemalans: On previous occasions I have talked about matters related to the current political situation, as well as about matters concerning the peace process and other important topics. Today, however, I want to address a topic of vital importance for all Guatemalans—namely, the government's economic policy.

In this regard, I want to be clear and remind everyone that debates on political reforms are useless unless their final objective is fighting poverty and improving the standard of living of Guatemalans. Meanwhile, these reforms must also promote transformations in the productive sectors—productive transformations that will make the country's economic and social development possible. These topics—and the Guatemalan people know this—on which previous governments have procrastinated have now become a basic priority.

I want to remind you that from the moment I assumed the post of human rights ombudsman, one of my main concerns has constantly been the fight against poverty, along with guaranteeing full respect for human, economic, social, and cultural rights. Dear Guatemalans: Today, at a time when I am entrusted with directing the country, I have the opportunity and am committed to promoting a government plan that will permit the implementation of substantial changes necessary to eradicate extreme poverty in Guatemala and to create the necessary conditions to transform the country's productive areas.

The general guidelines of the economic policy I will present to you tonight—guidelines for the next two years which are contained in the government plan for 1994-95—have been reviewed with the economic cabinet, which will later explain in detail the measures I will implement.

I would like to remind all Guatemalans that we have endured difficult financial conditions my government inherited as a result of the crisis caused by the 25 May coup d'etat. I also would like to remind you of something that all of you understood at that time: The government's treasury was practically empty when I assumed the Presidency four months ago. In addition, the government's debts were very high. To give you an example, I received a debt of 130 million quetzales, which was acquired by the hospital system and which the state owed to providers.

[Text] There has been strong speculation in terms of the exchange rate, and the prevailing atmosphere of insecurity generated lack of trust that discouraged investment. Scarce resources were earmarked for nonpriority expenditures that did not seek to combat poverty, and, quite the contrary, the ostentatious and wasteful use of resources was characteristic of the previous government and, obviously, characteristic of the government that preceded it.

These problems were topped by lower tax collections, higher inflation, pressure on interest rates, and, as if this was not enough, the population had higher expectations because of the change in government. Given that I had been a former ombudsman and because of the way I assumed the Presidency of the Republic, very high expectations were created—expectations on the new president of the Republic which failed to realize that the situation was serious and that the new president of the Republic could not produce miracles.

I also wish to recall that these problems were not caused simply by the circumstances. It would not be fair to say that they were solely the result of the 26 May events. I wish to remind you that we inherited these problems. They included a lack of health, housing, work, food, and access to potable water, electricity—in other words, all the human economic rights to which any society should have access if its people are to live in dignity.

We have to face not only problems that are taking place at this moment, but structural problems as well. Structural problems require precise structural solutions, and this means in-depth solutions. Also, Guatemalans must begin changes in the country within the framework of the following pledges made by my government, and I want you to pay great attention to these: First, the consolidation of democracy and a legal state; second, fighting extreme poverty; third, encourage a productive transformation to create conditions to reactivate production and employment; and fourth, restructure public administration to enable it to serve society, and not the other way around. Here, I want this to be remembered—listen well, all Guatemalan people: All public officials are public

servants who serve the Guatemalan people, and not the other way around as it was in the past.

I also want to emphasize that the government that I head is going to systematically base its pledges and actions on two fundamental principles: state subsidies and economic solidarity. For my government, subsidies mean that the state should rule, but not meddle in the actions of the productive sector and individual people. Therefore, to offer a subsidy means to create conditions, in addition to complementing society's efforts to resolve social and economic problems facing the Guatemalan people. Economic solidarity, the second fundamental principle, is a commitment by all Guatemalans to give development opportunities to those who have not had them in the past. Therefore, to offer solidarity means to accept some personal or group sacrifices for the sake of poorer Guatemalans.

I want to stop a second to give you an example of how this economic solidarity involves everyone's efforts by reminding you of the famous fable of the sheep and the growing grass. The grass grew but the sheep were dying of hunger.

In this case we are speaking of economic growth. We do indeed have economic growth, but all the people, like the sheep, need to have access to the benefits of this economic growth.

Dear people of Guatemala: I want to stress to you that we have started ruling with a new style. Today, there is a new style of leadership through honesty, austerity, and openness. There is also a new style of leadership with the following four elements: First, focusing investments in previously ignored area—the poorest and most neglected areas; second, concentrating efforts in three basic sectors—namely, health, education, and agriculture; the third element is encouraging social participation through the actions of nongovernment organizations and committees and other participants; and fourth, continuing with government decentralization, which we have already begun, to strengthen local governments.

Here I want to stop to tell you that during my presidential tour I was able to see how the villages understand perfectly well the sense of decentralization in three aspects: first, economic decentralization with the transfer of funds—which, by the way, is a government commitment—to the poorer areas, to neglected areas; second, administrative decentralization that features the people's participation, the people's decisionmaking through social organizations, with the participation of all communities, as well as having the people participate, not only with their opinions, but also with their attitude by feeling part of these works, following up these works, following up the funds to avoid fraud and corruption. The population has conscientiously accepted this decentralization to ensure that decisionmaking originates from the bottom upward, from the social base to the top and not the other way around—from top to bottom—as has been the case in the past. Lastly, fiscal decentralization, which is what we will encourage, should make the reinvestment of taxes fairer, and this includes taxes collected in every department.

We must fight inflation. This is necessary but is not enough to advance the struggle against poverty. We need, in addition, changes in the style in governing, and we need structural changes that modify and transform our economy. As an urgent priority, we need to reduce poverty to fight inflation. Many times we ask ourselves: What is this inflation that is talked about so much in Guatemala and in the rest of the world? The reply is simple: Inflation is the constant increase in the price of the products and food we buy everyday. Inflation, simply put, is the reason why Guatemalans find that one quetzal buys less and less every day. We must fight inflation because inflation makes poor people poorer.

I want to give you an example: When prices rise, those who are affected most are the unemployed, because naturally they receive no pay. Those affected, however, also include people who receive a fixed income, such as those who are retired, or even workers in the countryside and in the city. Prices rise and salaries remain exactly the same, or, if the salaries also increase, higher prices swallow up the difference, to use an adequate term. In other words, if prices and salaries go up, the prices again swallow up those salary increases.

Therefore, inflation increases poverty, but it also discourages private local and foreign investment, preventing new jobs from being created. Inflation makes dollar or real estate speculation much more attractive. We all know that people are afraid to risk the creation of new businesses or enlarging those already in existence, which is the only way to generate more jobs.

Therefore, what we Guatemalans must do is attack the very root of inflation. To attack inflation, the government will implement the following clear measures: First, the government will maintain fiscal discipline. In other words, expenditures will not surpass revenues. I would like to give you a simple example. A government budget is just like a family budget. If a Guatemalan family—for example, the family of any of you who are listening to me—has a monthly income, you should not spend more than that amount. If you do so, your debt will increase month by month. Likewise, the government cannot spend more that what it receives. Otherwise, we will make the debt grow, and tomorrow it will lead us to an economic crisis, such as the one I inherited four months ago when I assumed the Presidency.

The other measure to attack inflation by its root is that the government will not request credit from the Bank of Guatemala. This means that it will not print any money and will not issue any unsupported currency. In addition, solutions will be sought in terms of losses incurred by the Bank of Guatemala and the deficits of other public sector enterprises, because these losses also generate inflation when money is printed.

For example, I want to tell you, we cannot continue to spend practically what it costs to run a ministry by paying the INDE's [National Institute of Electrification] foreign debt.

This situation cannot continue. Now then, fiscal discipline, as a principal tool in our struggle against inflation, will allow us to prevent poverty from intensifying. Nevertheless, to oppose and reduce poverty, there also is a need for other measures. For example, how are we going to reduce poverty and at the same time improve highways, access to electricity, health, and education, particularly if we continue with the same level of revenues as we currently have in the government?

Let me expand on this a bit more. Let us look at what is taking place in this country. Guatemala is the country with the lowest tax collection levels in all of Central America, and one of the lowest in the world. Nowadays, my fellow Guatemalans, we pay eight cents for each quetzal produced nationally. I would like to take advantage of this occasion to call on all of you to double our efforts and raise this level to 10 cents at least.

Now, I ask, and you may also be wondering, why do we need more tax collection? Right. We have estimated that to adequately satisfy the population's most pressing needs and demands we require a budget of at least 15 billion quetzales. The current budget totals 8 billion quetzales. This is precisely the reason why we need to improve tax collection. To accomplish this objective, I would not like to resort to raising taxes. Instead, I would prefer all of us work together in opposing tax evasion.

On many occasions we may have asked, and now I ask you, how is it possible that while some Guatemalans responsibly pay their taxes, and I include myself in this group because I always pay my taxes, others shamelessly simply decide to disregard their legal obligations? This cannot be tolerated any longer and cannot be allowed to continue. On the other hand, we ask ourselves how is it possible that certain products appear advertised in newspapers indicating sale prices that do not include value-added tax [VAT], when the law is clear in establishing that this tax must be included in every sale price? How is it possible that many commercial establishments still refuse to provide a sales receipt to their customers?

My wife recently told me she went to buy a household appliance at a local store, and she said the salesman, even though he had recognized her, had the nerve to ask her if she wanted a sales receipt. He even told her that if she wanted a sales receipt, the price would be greater. This, ladies and gentlemen, must not continue. It is preposterous for this to continue, and it is impossible for us to tolerate this any longer. On the other hand, how is possible that imported goods can be sold in Guatemala at a lower price than locally produced goods? In conclusion, we can only say that contraband is the most serious form of tax evasion we are confronting because not only import tax is being evaded but also taxes such as VAT and income tax which is even more serious.

My fellow Guatemalans: To accomplish all of this it is necessary for the central government to adopt certain measures. What measures are being prepared by my administration to implement within the next few days? First, we are preparing to appoint a fiscal prosecutor within the Office of the Attorney General to exclusively crack down on tax evaders. In addition, we plan to publicly and drastically penalize all business establishments that refuse to issue sales receipts or illegally withhold VAT [value-added tax] revenues which have been received from customers and rightfully belong to the government. Third, we plan to increase and strengthen Finance Ministry supervision. A fourth measure includes encouraging the legal initiatives needed to bolster penalties already included in the tax code. As part of the measures aimed at improving revenues, we plan to demonopolize, provide concessions, and finally privatize inefficient state-owned companies and services. In any case, however, this privatization process will be carried out with absolute transparency, just as is taking place with the current administration's entire performance.

In addition to increasing revenues, the fight against poverty also demands reorienting government expenditures.

What if we ask ourselves: Why should we reorient public spending? I want to stop here to inform you that, in general, those we have been asked to contribute—namely, the Guatemalan people, who have to pay taxes in order that we can increase our resources—have traditionally refused to do so because the taxpayers distrust the government. They are right to a certain extent, because the funds did not always end up going into the works projects for which they were earmarked. Instead, many times they went into the pockets of officials.

Meanwhile, we must demonstrate honesty and transparency. I am very pleased to say that we are currently demonstrating this. Evidence of this is that one of my first decisions was to eliminate secrecy. No other government had ever made this decision before. I did this precisely to recover the Guatemalan taxpayers' faith and trust.

In this regard, we want to increase revenues with an efficient tax collection system under which the taxpayer honors his obligation. Meanwhile, the government also has to ration these resources. The same thing occurs with you, the housewives in the home, when your husband gives you a certain sum of money. He has the obligation to produce and work, and you have the obligation to administer this money in the home—that is, to administer it wisely, and not—based on a principle not precisely of authority—to squander this money. If this happens, the household will go bankrupt from an economic point of view.

Why then should we reorient public spending? The shortage of funds demands my government concentrate our scarce economic, human, and physical resources on

priority areas. Besides this, these resources must be administered with total austerity, honesty, and transparency. We cannot continue to spend government funds to finance a bureaucracy that, overall, is inefficient. We cannot continue to spend government funds to subsidize groups that are not the most needy. For example, we subsidize electricity for 40 percent of the population that currently has this service, and, as a result, we cannot afford to supply electricity to the 60 percent of those Guatemalans who do not have this service.

Another example is this: Why do we subsidize the water supply of the residents of the capital when more than half of the Guatemalans who live in the countryside do not have access to potable water and latrines? You know, this is the No. 1 cause of death among children under the age of five. How can we be spending immense sums in hospitals without achieving efficient service and without providing medical attention to the people who require this service?

Dear Guatemalans: I believe examples such as these are abundant in practically every government sector. Resources have not been spent on the most needy, nor have they been invested efficiently. My administration is going to combat this system and the practices that have prevented the dissemination of state resources to the most needy.

To achieve this, we will implement a number of measures, and I want to outline very clearly what these measures are. In the first place we will, in general, eliminate subsidies. Subsidies will be granted when necessary. First, they will be granted to the most needy, and, second, they will be focused, as well as being temporary and diminishing. Also—and listen to this well—these subsidies will be granted to the users and not to the producers. Meanwhile—look here, Guatemalans—the 1994 government budget already reflects a reorientation of public spending. This is particularly true in that it combats poverty in the most remote and ignored regions.

In terms of operational costs, the levels of spending in 1994 will remain at the same level as 1993, giving priority to social investment. We have concentrated this investment in 1994, as you all know, in the Social Investment Fund and in the funds against extreme poverty such as Fenatas [expansion unknown], Fenatierra [expansion unknown], and the Regional Development Fund.

The state, of course, with its scarcity of resources cannot do everything that is needed. We are committed, however, to get on this course with a new approach, namely, with the participation of communities and local governments in defining priorities and providing and maintaining services. This can, of course, be achieved only if we give preferential treatment, first, to the decentralization of public services, which because of their nature can be better handled at the local level, and, second, to the participation by the organized community in the decisions regarding planning, execution, control, and financing of services and projects to be implemented, and third, to the handing over to the community of responsibility for administering resources. For example, this means transferring resources to the community so that these resources can be, in turn, transferred from the schools to the parents' associations. To put it another way, the responsibility for administering the schools' resources should be transferred to the parents' associations, cooperatives, nongovernment organizations, and local governments. The communities should also participate in the administration of boards dealing with health matters. As I said, these are a few of the basic measures that are necessary to combat poverty.

Dear Guatemalans, besides these basic measures necessary to combat poverty, the state needs greater resources and a better allocation of public spending. It needs the participation and commitment of everyone with a sense of solidarity. In addition, a transformation of production and an increase in investments will be necessary, meaning, an increase in private investment, aspects I will go into now with your permission.

What do we understand by transformation of production? Only —and this is something we are certain of here and anywhere in the world—only increased production, diversification, and greater competitiveness will enable a greater number of Guatemalans to hold jobs with incomes that allow them to meet their needs in a dignified manner. We can only achieve it this way. We must make progress in deregulating productive activity by consolidating the process of economic opening and expediting the creation of new companies and the growth of existing ones, with neither the subsidies I have mentioned nor excessive protection.

If, for example, there is only one seller, he sets the price, and consumers have no alternative unless they can choose another good quality product at a competitive price. In a few and simple words, this means economic opening, which is possible if we maintain a stable economy. Therefore, private investment should become the engine behind economic growth, the modernization of production, and generation of jobs. Nobody, however, will invest—and this is very clear—if he has no certainty of his costs and profit margin.

The measures to achieve this, and hear this well, dear Guatemalans, are as follows: First, to keep inflation down. Second, to reduce interest rates to stimulate economic growth. Third, to establish a system to maintain a realistic and flexible exchange rate, giving preferential treatment to market mechanisms in establishing the price of the foreign exchange. Fourth, to modernize the financial system. In addition, I would like to tell you that we will eliminate bureaucratic rules that hamper opening new banks and make the operations of existing banks more expensive.

We will also reinforce the solvency of financial institutions and upgrade our supervision of them. By the same token, we will support the initiatives by the monetary

authority tending to increase the supply of credit and competition among financial institutions. We will join the world economy. We will increase the country's relations with the rest of the world, because Guatemalans must have more buyers for our products. Guatemala must produce more, export more, attract more tourism to increase jobs, improve its technology, and obtain the foreign exchange needed to continue promoting development.

In addition, we will support the development of exports and strengthen the system of international commercial negotiations, together with the productive sector so our products can enter the international market under better and fairer conditions.

We will strengthen the government's network through the diplomatic corps and our foreign service. We will prioritize the Central American integration process. Exports and the tourism sector will benefit from the implementation of these measures, as they will present an improved image abroad. This, of course, also includes specific action to support each economic measure.

Guatemalans: The above are clear and firm strategies, some of which are already in motion. They constitute the framework and the ground rules for our actions. Our government has set several specific goals and I would like to present them to you as follows:

1. To attain 5-percent economic growth for 1994, and 6-percent for 1995. This would secure the highest economic growth rate Guatemala has had for the last 20 years.

2. To reduce inflation to 8 percent in 1994 and to 5 percent in 1995. This would bring us down to rates similar to the international inflation rate.

3. To improve government tax collection. In so doing the tax burden will represent 10 percent without having to increase taxes.

4. To reorient and focus government spending on priority areas within the poorer sectors of the community.

Guatemalans, a clear and firm commitment by all of you—people and government—is necessary. A clear and firm commitment by all, in conjunction with the government, is needed in this effort to fight poverty and promote development of production. This commitment means families should not spend more than their income, as I said before; we taxpayers should pay all our taxes; business and industry in general should pay, collect, and transfer the full amount of taxes to the government, as defined by law and, hence, is their obligation; management and investors should generate new jobs; workers should contribute to increasing productivity with their efforts and their work; and our government should comply and fulfill what we have presented to you today, as part of the government agenda for 1994-95.

Countrymen, the government's policies and goals are set. There must be no doubt about the direction or the path we have chosen to attain development for our country. The means to attain these goals, however, are open for discussion and we will discuss them with all sectors of our community. The road to attaining these goals is difficult and the challenges are even greater, but we have defined a new style of government in which the participation and commitment of the people and the government is fundamental. With your commitment we will accomplish it together. As of tomorrow, you will begin to see other measures that will be implemented simultaneously in order to reinforce these economic guidelines and policies.

I repeat, the commitment must come from everyone; the people and the government. I thank you for your attention and bid you good night.

De Leon Orders Inquiry Into Death Threats Origin

PA1310130793 Guatemala City Teleonce Television in Spanish 0400 GMT 7 Oct 93

[From the "Telepress" newscast]

[Text] As for anonymous threats against 20 Guatemalans, including popular leaders, journalists, and presidential adviser Hector Rosada Granados, President Ramiro de Leon Carpio said on Wednesday that he has ordered investigations to determine the origin of these intimidating acts.

[Begin de Leon recording] I deeply regret that once more Guatemalans have not understood that this is not the way out. Some Guatemalans still believe they can achieve something through this type of action. I regret that they are resorting to anonymity, which is the worst example of cowardice; that they are using mechanisms that we thought had been abandoned; and that they are anonymously threatening Guatemalans, some of whom are journalists and friends of mine. I truly regret this difficult situation.

I have ordered an investigation into the matter. Since we learned of these anonymous threats, we have been trying to determine their origin. We know they have come from a group of people who are trying to destabilize the country. I must admit that it is not difficult for them to do so because of the violence, anxiety, and political crises being created by two state institutions, namely, the National Congress and the Supreme Court of Justice. Despite popular outcry and advice received, they insist on keeping the country at a standstill and in a state of political anarchy. Fortunately, preparations for a referendum have begun. This is the only coercive measure and the only form of pressure that will prompt them, I hope, to resign before the political crisis worsens in a bid to allow a reorganization and political restructure. [end recording]

Nicaragua

Chamorro: Ortega Will Leave Post in 1994

PA1310174293 Panama City ACAN in Spanish 1606 GMT 13 Oct 93

[Text] San Jose, 13 Oct (ACAN-EFE)—Nicaraguan President Violeta Chamorro has reiterated that General Humberto Ortega will be retired next year as Army chief, as she promised on 2 September, while she assured that the Sandinists will have to accept the changes.

During an interview published today by LA NACION in Costa Rica, Chamorro assured that the Sandinists "are like wounded tigers; however, there is a president that was elected by the people in a democracy." She added that changes must be made in the Army and in the cabinet. "I will not take back what I said on 2 September; there are going to be changes," the president said in reference to the removal of the Army chief, during the interview she gave Monday in Managua.

"In 1994 Humberto Ortega is leaving. I want him to leave as a friend of the Nicaraguans. He should enter his life as a civilian," the president said, warning that the Sandinists "can stage strikes and say they are going arouse the masses, but they will have to accept" the changes.

According to Chamorro, the violent demonstrations during the past weeks "are not supported" by all Sandinists. These are supported by a group led by former President Daniel Ortega, who "still thinks he is in power and that he is the president; however, he no longer is."

The president added that "not all" Sandinists take to the streets when she makes a decision that adversely affects the party's interests. Instead, it is the group close to Daniel Ortega, brother of the Army chief. "There is a video in which he (Daniel Ortega) can be seen in a jeep with his wife, observing the strikes. They have to understand that this type of behavior harms them. If he wants to be a candidate in the upcoming elections, let's see who votes for him," she stressed. [sentence as received]

UNO Breaks Off FSLN Dialogue; Cite 'Double Standard'

PA1410030493 Paris AFP in Spanish 0105 GMT 14 Oct 93

[Text] Managua, 13 Oct (AFP)—Nicaragua's National Opposition Union (UNO) this Wednesday broke off the dialogue it had initiated with the Sandinist National Liberation Front (FSLN) on 4 October, claiming a lack of interest to negotiate and a "double standard" by the other party, political sources stated.

Wilfredo Navarro, a member of the UNO Political Council and president of the Independent Liberal Party (PLI), told the media that "the talks are over; there is nothing else to discuss with the FSLN."

According to Navarro, the decision was made because the Sandinists signed unacceptable agreements with the Center Bloc (made up of dissident UNO deputies) regarding the operation of the Legislative Branch. As long as the FSLN "gives legitimacy to corrupt deputies, UNO will not continue the negotiations," Navarro said.

Two days ago the FSLN and Center Bloc said "the normalization of National Assembly operations is necessary," and any decision made cannot exclude "any deputy or Assembly group." Two months ago UNO asked President Violeta Chamorro to eliminate the Center Bloc, arguing that it is obstructing the normal functioning of the National Assembly.

The Center Bloc said it holds the key to decisionmaking because it is the equilibrium between the Sandinists and UNO, but the latter is trying to recover the control over the National Assembly it had in 1990.

Some of the key issues that should be discussed at the National Assembly in the next few months is UNO's proposal to convene a constituent assembly and the FSLN's proposal to reform the constitution, both with the purpose of overcoming the political and economic crisis experienced in Nicaragua.

The FSLN has not yet commented on the decision by its political adversary to abandon the dialogue.

Vice President Godoy Withdraws

PA1310191493 Managua Radio Corporacion in Spanish 1030 GMT 13 Oct 93

[From "The Awakening" newscast]

[Text] Vice President Virgilio Godoy has withdrawn from talks with the FSLN [National Sandinist Liberation Front], claiming that things were not right because the Sandinists have issued a statement which rules out the possibility of removing the Center Bloc deputies from the assembly. Meanwhile, the talks are scheduled to continue Monday.

Listeners have made telephone calls advising that UNO [National Opposition Union] might be in the process of falling into a trap laid by the Sandinists and that UNO representatives are walking into the trap like lambs. Several listeners said they do not want to think that UNO's leaders will betray the people's votes but, by discussing constitutional votes amid an Assembly dominated by the FSLN, UNO would virtually betray the votes of the people who are demanding changes, not a reinforcement of the Sandinists' power.

[Begin recording] [Godoy] There is no confusion. A document that has been making the rounds and which casts doubts on the talks will be presented.

[Reporter] Is the problem being discussed in the assembly?

[Godoy] I think this is going to be the case.

[Reporter] We understand you do not see much of a future for these talks.

[Godoy] I will not speak as president of the Political Council, but, personally, I see a number of difficulties looming on the horizon, because, after two meetings between UNO and the FSLN, a document with an agreement between the Center Bloc and Daniel Ortega appeared unexpectedly. This document openly contradicted things that were discussed earlier, throwing a wrench into the gears of the talks.

[Reporter] Does the settling of the disagreement between the assembly and the Center Bloc continue to be important for an exchange of views between the different political forces?

[Godoy] Such a resolution obviously is important because the debate (?stagnates) when someone assumes a stand on something that cannot be discussed at the assembly. [end recording]

Minister: 3-80 Front Disarmament, Presence in U.S.

PA1310195193 Managua Canal Cuatro Television in Spanish 0300 GMT 13 Oct 93

[From the "Extravision" newscast]

[Text] The deadline for the 3-80 Northern Front to begin the process of disarming ends on 13 October. Government Minister Alfredo Mendieta expressed concern over the impunity with which El Chacal's [Jose Angel Talavera] brothers are trying to secure financial assistance in Miami for their war against the government. The minister said the government will wait until tomorrow to confirm the 3-80 Northern Front's position before the Army is ordered to start military operations.

[Begin Mendieta recording] So far, we have only carried out defensive operations. We wish to report that the (?Caula Toon) agreements have been openly violated by the kidnapping of international officials. Less than 10 years after the Ciudad Antigua meeting, the 3-80 Northern Front violated the cease-fire by attacking unarmed members of cooperatives and Army units bringing food to the Kilali, Jicaro, and Murra garrisons. [end recording]

Minister Mendieta also said El Chacal has shown little willingness to participate in a pacification process. Mendieta regretted the impunity with which rebels have traveled to the United States through Honduran territory. He said the foreign minister has sent notes to Honduras and that he himself has talked with the U.S. State Department. Esteban, El Chacal's brother, is currently in Miami and has already held several news conferences.

[Begin Mendieta recording] According to the 10 October edition of DIARIO DE LAS AMERICAS, Commander Esteban expressed firm determination to remain rebellious against the Sandinist People's Army until the government headed by Violeta Chamorro is dissolved and a democratic system with guarantees and respect for all can be established in Nicaragua. According to the report, Commander Esteban, surrounded by members of the resistance, said: We have the necessary military means. We must point out that there have already been reports of the activities of these men in the United States. [end recording]

Although he was repeatedly questioned on the topic, Mendieta was cautious not to disclose the hour or the type of operation to be launched against El Chacal's men tomorrow at midnight [0500 GMT on 14 October], when the deadline demanded by the Northern Commission comes to an end. The commission has met with little success in its efforts to persuade El Chacal to lay down his weapons.

Dignity, Sovereignty Command Demands Leader Release

PA1410012493 Managua Radio Sandino in Spanish 1830 GMT 12 Oct 93

[Report by Francisco Flores Lopez from Matagalpa; from the "Radio News" newscast—live]

[Text] It is reported from Matagalpa that there are several dead and injured persons as a result of the clashes between the EPS [Sandinist People's Army] and the irregular forces of the 3-80 Northern Front. In addition, members of the Dignity and Sovereignty Command demand the release of Major Donald Mendoza Garcia or else they will launch a military operation against government offices.

EPS troops were deployed yesterday throughout the region. They carried heavy weapons, reportedly to fight approximately 400 men who make up the 3-80 Northern Front, led by El Chacal [Jose Angel Talavera], and who operate in groups of 30 or 40 men. A military source from the region asserts fierce clashes have occurred between the government troops and El Chacal's groups in Zompopera, Bocay, El Cua, Jinotega Department, where members of the opposition forces died. Clashes have also occurred in the zone of Rio Blanco, Matiguas, Mulukuku, Bocana de Paiwas, Matagalpa Department.

In addition, police reported Private Freddy Rubi's body was found downhill from (Ubuluja), 18 km west of Rio Blanco. He was reported missing early on Friday morning following an ambush by the 3-80 group led by Buzon. The same police source said First Lieutenant Victor Valdivia, chief of the Rio Blanco Police, was released yesterday. He was kidnapped last week [words indistinct] Segovia, an event that shocked La Dalia municipality.

Meanwhile, more than 25,000 men request the immediate release of Maj. Mendoza Garcia, leader of the Dignity and Sovereignty Command. Commander

Ruben, in charge of the political, propaganda, and [word indistinct] commission, is here with us. Ruben, we have reports that those who signed a document [words indistinct] Commander Donald Mendoza Garcia to negotiate with the government are members of the Dignity and Sovereignty Command.

[Ruben] They are not members of our movement. No way. Our movement is characterized by its honest, dignified, patriotic, and revolutionary men rather than alien, shameless, selfish, and egotistic people. You know there are always traitors in every movement. Guided by their mean interests, they try to betray our movement and undermine our legitimate demands. The self-styled council of commanders does not exist. It is only a maneuver carried out by the government and the country's political leadership to discredit and undermine our legitimate demands to the government.

[Flores] Ruben, we want to know if these people who signed the document stating Donald is interested in [words indistinct] your demands?

[Ruben] Yes. You know the Dignity and Sovereignty Command is a large movement because we have approximately 25,000 comrades, sympathizers, and members who support these demands. Logically, this results in pressure for our commander to abandon the struggle and the causes he currently defends. Far from seeking the achievement of peace, the self-styled council of commanders and other extreme right groups only encourage more violence and chaos in the nation. This has resulted in painful results for the Nicaraguan people. Until now we.... [pauses] The fact our commander in chief was arrested does not mean we will run amok and carry out rash actions we will later deplore. Instead, we will simply bide our time for the sake of peace—but goodwill should prevail in the government for his immediate release and to negotiate the demands we still have.

FSLN, Center Group Agree on Reform Needs

PA1410030193 Managua BARRICADA in Spanish 12 Oct 93 p 14

[Text] The Sandinist National Liberation Front [FSLN] and the Center Group agreed that "there is need to normalize the functioning of the National Assembly" starting by implementing initiatives provided by deputies from all blocs. The announcement was made through a press note issued yesterday after a meeting between representatives of both political groups. The text of the press note indicates that "no solution can be expected based on the exclusion of any of the deputies represented at the national assembly."

On economic issues there was agreement on the "need to adopt a patriotic, firm, and clear position on the failure of structural adjustment plans the international financial organizations are imposing on the country." They also expressed their support for a new economic plan that will reactivate the economy.

Representatives from both groups agreed on the need to "implement in-depth reforms to the Constitution" by means of partial reforms, and disavowed calls for a constituent assembly.

With respect to the Legislative Assembly, the note indicates that the two political forces agree on having the EPS [Sandinist People's Army] subject to civilian power. They also agree on the need to approve a Military Bill that will establish, among other things, the duration of the military leadership in their respective positions, including current EPS Chief General Humberto Ortega.

According to the document, the FSLN and the Center Group agree on the need for the "complete disarming" of all irregular groups and support peaceful and negotiated solutions to all conflicts.

FSLN Constitutional Reform Objectives

PA1410002193 Managua BARRICADA in Spanish 12 Oct 93 p 6

[Document issued by Sandinist Assembly and the National Directorate of the Sandinist National Liberation Front in Managua on 10 October]

[Text] The negotiation process should lead to reforms, and the reforms themselves must ease the political crisis, which is necessary to allow efforts to be focused on economic reactivation and the struggle against poverty. A constitutional reform bill backed by Sandinism must foresee the possibility that the FSLN [Sandinist National Liberation Front] can again be either at the head of the government or in the opposition. Our reform proposals cannot respond only to a Sandinism in the opposition, nor can it be limited to criteria based on the idea that reform would not suit us if we return to the government.

Sandinism must promote a reform project that produces lasting agreements in the country, regardless of our future situation. As the FSLN sees it, the general objectives of constitutional reform must be:

1. To halt the ambitions of the right, which wants to return to the historically obsolete political, economic, and social model of Somozism or to install a similarly exclusive model.

Sandinism must work on a proposal for a socialist-inspired model capable of satisfying society's aspirations and need for democracy with a fair distribution of property and wealth.

Institutions must be democratized; the balance between state branches must be improved; citizen participation must be enhanced; honesty in government work must be promoted; and elected officials must be more responsible to the people who elect them.

2. The country's political and economic sovereignty must be defended within the framework of the new international relations, especially in view of the dogmatic policies of international financial organizations.

3. A constitutional framework for defending, protecting and promoting the people's interest in the face of the new situation must be created. In this regard, the following is of vital importance to serve the interests of the people:

a. Legal and economic guarantees for the secured new forms of property in the hands of emerging sectors and a legal framework to allow this form of property to continue to advance.

b. The protection and development of the Workers' Social Property Area.

c. The protection and development of all forms of cooperatives.

d. To make agrarian reform irreversible and to impede the return of large landownership.

e. To affirm and develop a national concept for the protection of our natural resources.

f. To impose limits and rules on the privatization of state enterprises and assets, guaranteeing worker participation.

g. To establish that the management, planning, and control of public service institutions constitute an undeclinable function of the state. Concessions to private individuals must be made through a law in each case and must be subordinate to state control, giving consumers, against whom there may be no discrimination, due guarantees.

h. To affirm the unequivocal responsibility of the state in the fields of education, health, and social security, which cannot be privatized, and in the protection of children and the family.

i. Define a fair labor system in keeping with the reality of our new production relations.

j. Ensure full freedom to form trade unions, community organizations, cooperatives, and other forms of social organization, thus strengthening their participation in economic, social, and state activities.

4. Establish clear guarantees and security for the various forms of private property, which now include the property of workers; however, they must also include all individuals, without political distinction, and all producers and businesses, be they national, foreign, or of mixed capital.

5. Establish the framework for conditions that are necessary for stability and economic development, without which it would be impossible to increase wealth and distribute it fairly. In this regard, adequate guarantees must be created for national and foreign capital investments while protecting both the interests of society and the nation and ensuring a role for emerging economic sectors.

6. Establish that the state bank's main function is to support the country's economic development and that it must carry out special rural credit programs as well as programs for small and medium-sized businesses.

7. Guarantee the institutionalization of the participation of labor and trade unions, and other expressions of civil society, in the fulfillment of state and municipal policies.

8. The National Assembly must approve through legislation everything that pertains to economic and fiscal matters. It must confirm agreements and treaties concerning the negotiation and renegotiation of the foreign debt and loans from international financial organizations and it must have more power than the current Assembly regarding the approval of the General Budget of the Republic.

9. Strengthen the Atlantic Coast autonomy system.

10. Strengthen the autonomy and participative democracy of the municipal governments in political, economic, and social matters.

11. Ensure the institutional functioning of the Army as a patriotic body at the service of national interests, its sovereignty, and the country's peace and stability in accordance with the same Constitution and laws. Within that context, the Army's name must be changed.

The very Military Organization Law establishing the foundations of the Army's functions and the length of time a person can remain in a post, including that of commander in chief, is a law that should have a constitutional standing

12. Incorporate the National Police into the constitution as an entity that guarantees public safety. It must depend, as far as its organization into missions is concerned, on a constitutional law.

13. Favor the protection of human rights, social as well as individual.

14. Create a chapter in the constitution that will establish the duties and rights of political parties.

15. Explain the process whereby laws are made in the Constitution. Withdraw from the Executive all powers to issue decrees that have the power of law (decree-laws).

16. Guarantee progress on the subject of legal equality between men and women. Likewise, ensure that the progress made on the Family Law issue (equality of offspring, equal constitutional recognition for marriage and stable unions, etc.) is not undermined, and establish the mechanisms and legislation that will guarantee their protection.

Managua, 10 October 1993

Sandinist Assembly and National Directorate of the Sandinist National Liberation Front

Lacayo on UNO, FSLN Criticism of Economic Plan

PA1310144993 Managua Radio Corporacion in Spanish 1030 GMT 12 Oct 93

[From "The Awakening" newscast]

[Text] Presidency Minister Antonio Lacayo has expressed disagreement with the latest communique issued by the National Opposition Union [UNO] and the Sandinist National Liberation Front [FSLN], which states that the government's economic policy has failed. Lacayo said this is a somewhat populist statement.

According to UNO and the FSLN, a new comprehensive policy and a new economic team are necessary. This is why, Lacayo added, we have asked UNO and the FSLN to come to a meeting scheduled for today; a meeting that President Chamorro invited them to. At this meeting, they can present their ideas on this new plan. Their participation would be useful in deciding whether the plan is suitable, whether it can be financed, and whether international financial institutions might be willing to put money into it. Lacayo said the government would welcome another plan as long as it benefits the people.

Minister Refuses To Meet RN Peace Commission

PA1310152493 Managua Radio Corporacion in Spanish 1030 GMT 12 Oct 93

[From "The Awakening" newscast]

[Text] Government Minister Alfredo Mendieta has refused to meet with the Nicaraguan Resistance [RN] Peace Commission that visited El Chacal [Jose Angel Talavera] in Quilali. The commission was attempting to fill Mendieta in on the serious situation in northern Nicaragua.

In light of Mendieta's refusal to meet, the commission's commanders, Jimmy Leo, Chino 85, David Fernando, 02 Richard, and El Invisible [Rodolfo Ampie], sent a letter to President Chamorro, telling her that the negotiations with the 3-80 Northern Front had failed. The letter also said that farmers are facing a very serious situation because of the Army commander's stubbornness in continuing to send EPS [Sandinist People's Army] troops to the Quilali mountains, where RN combatants are deployed and are willing to die if necessary.

The commanders say President Chamorro will be responsible for any deaths that may occur in the area. Nevertheless, several leaders of various RN organizations will leave for El Zungaro today to continue mediation efforts in a bid to prevent a possible civil war in Nicaragua.

Transportation Stoppage Partially Paralyzes Country

PA1410030893 Managua BARRICADA in Spanish 13 Oct 93 pp 1,12

[Report by Carlos Garcia]

[Text] About 30 percent of the public transportation in Managua was paralyzed yesterday in support of the National Transportation Commission, which again issued an appeal to its members, urging them to protest against the government "failure to comply" with the 24 September agreements.

National Transportation Commission member Roberto Gonzalez said yesterday, shortly before starting negotiations with the government, that the stoppage paralyzed 80 percent of the country's public transportation sector. The scant circulation of buses and taxis in the capital was noticeable but the service was not totally suspended.

Moreover, directorate board members of the 25 February Radio-Taxi Cooperative yesterday said they decided to cease operations out of fear they would be attacked by members of other cooperatives that were exerting pressure for an overall stoppage. Reports received yesterday afternoon indicate some taxi drivers attacked transportation units normally rendering their services to the users.

Gonzalez, a member of the FNT [National Workers Front] Directorate, said the National Transportation Commission's decision was to decree a general transportation stoppage effective 0000 on Tuesday. The stoppage will be gradually applied depending on the government's willingness to negotiate.

According to Gonzalez, the first departments to reply to the commission's guidance were Chontales, Boaco, Jinotega, Matagalpa, Leon, and Chinandega, aside from Managua. However, the stoppage did not extend to most of the cities in departments that make up Region IV, including Masaya and Granada.

Gonzalez said the government has repeatedly violated the 24 September agreements. For example, he said, while the government talks about organizing the transportation activities, the MCT [Communications and Transportation Ministry] issued operating permits to six units and authorized them to operate on route 153, between Ticomo and the eastern market, which already has an excessive number of units.

He added that the MCT also continues to charge for the mechanical inspection and documents extended to the drivers. Gonzalez said all the negotiation options will be exhausted to prevent a large-scale stoppage that would cause heavy damage to the national economy.

Talks Reportedly Deadlocked

PA1410031193 Managua BARRICADA in Spanish 13 Oct 93 pp 1, 12

[Report by David Gutierrez Lopez]

[Text] The negotiations between the National Transportation Commission [CNT] and Pablo Vigil, minister of construction and transportation (MCT) [Communications and Transportation Ministry], remained "deadlocked" last night, after the government refused to accept the immediate reorganization of transportation, namely the elimination of pirate transportation vehicles.

Commission member Carlos Palma confirmed that transportation sector representatives offered a 10-point proposal and, after several hours of negotiations in the Presidential House, no progress was made. The talks are scheduled to continue today, while the transportation strike persists. "We have spent several hours discussing the first point of our proposal and no progress was made," Jara [name as published] told this newspaper.

Meanwhile, Construction and Transportation Minister Pablo Vigil yesterday accused the CTN of receiving financing from "somebody" to maintain a new transportation strike on the grounds of government noncompliance with accords. The minister of construction and transportation voiced his "doubts" after transportation workers allegedly informed him they had lost three million cordobas during the last strike.

Federation Refutes Vigil's Statements

Vigil did not explain who is financing transportation workers. Meanwhile, Roberto Gonzalez, secretary general of the Nicaraguan Transportation Federation, rejected Vigil's charges. "It is a slanderous and defamatory remark that Minister Vigil will have to prove," Gonzalez said. He explained that the transportation workers' strike represents "a sacrifice" in the defense of their rights.

The government yesterday assured it completely fulfilled the agreements signed with transportation workers in the predawn hours of 24 September by repealing the decree creating the vehicle ownership tax, freezing the price of fuel, and issuing fuel subsidy bonds.

Gonzalez asserted workers did not accept the bonds because they were issued "unilaterally." Vigil yesterday summoned CNT representatives to the Presidential House to continue the talks at 1500. However, due to a lack of communications, transportation leaders were delayed for some time in the northern wing of the National Assembly. They were finally able to begin the meeting at 1830 following the mediation of deputies Carlos Zamora and Nathan Sevilla.

Outside of the National Assembly, dozens of taxi, bus, and truck drivers parked their vehicles to express their protest. Government Minister Alfredo Mendieta warned yesterday that the police will guarantee "free transit" throughout the country to avoid "risks" on account of the transportation strike, which was observed to increase peacefully last night.

U.S. Inquiry of Former Intelligence Directorate

PA1310124393 Managua BARRICADA in Spanish 12 Oct 93 p 14

[Text] According to unofficial sources, the National Police have refused to sign the second preliminary report on the Santa Rosa arms cache case because police representatives disagree with the document's conclusions concerning the former Intelligence Directorate of the Interior Ministry.

On behalf of Nicaragua, only Deputy Government Minister Frank Cesar signed the document that was prepared between 6 and 8 October by representatives from Venezuela, Mexico, El Salvador, Honduras, and Canada.

Representatives of the State Department and FBI, who form part of the U.S. delegation investigating the case, have shown they are extremely interested in the former Intelligence Directorate of the Interior Ministry, Directorate V, and they are seeking a greater role in the trial before the 5th District Criminal Court.

According to official sources, members of the U.S. delegation have asked the Office of the Attorney General for permission to present evidence in the trial. The evidence was presented to the judge as if it had been prepared or obtained by Nicaraguan authorities.

Sources added that the Americans, led by Irwin Rubenstein and Phil Ferguson, reportedly displayed an unusual interest in Directorate V, particularly in Commander Luis Guzman, former chief of the offic, and they asked Deputy Government Minister Cesar to thoroughly investigate what former officers of the department are doing now.

Mark Hoffman, a U.S. expert on passports, spent a great deal of time obtaining information on the activities of Guzman as chief of the Government Ministry's Directorate of Immigration. Hoffman also requested from Cesar copies of documents on all Nicaraguan citizens of Arab origin who were nationalized during the government transition.

According to the report, "it was established that the Intelligence Directorate of the former Interior Ministry of Nicaragua provided documents that were later found in the Santa Rosa cache." A source close to the FSLN [Sandinist National Liberation Front] said, however, that the documents in question "do not prove there is any link," because they were prepared in 1983 during the war of aggression by the United States and the idea was to conduct "an investigation dating back with the purpose of persecuting the intelligence officers."

The report also points out that 11 of the 19 missiles found in the cache belong to the EPS [Sandinist People's Army], but it also explains: "The said missiles are part of

a lot removed in October 1990 by former Major Odel Orellana Solorzano and other individuals. The lot was then delivered to the FMLN [Farabundo Marti National Liberation Front], which is why they were brought before trial and the Judge Advocate sentenced them."

Orellana Solorzano, a.k.a. Odell Ortega, Max, or Maximiliano, fought with the Salvadoran guerrillas in the early 1980's. As a member of the EPS, he commanded the Rufo Marin Battalion and was later a member of the Sandinist Air Force (FAS) command. Orellana Solorzano was retired from active service in 1990 because of his participation in the institutional crisis that culminated with the retirement of FAS Chief Colonel Javier Pichardo.

The source also said that the document, based on circumstantial evidence, has a strong line against Facundo Guardado, the deputy chief of the Farabundo Marti Peoples Liberation Forces of El Salvador. The document also states that the commission will continue its investigations until it has clarified everything.

* Center Group Members Consider Resignations

94P20020A

[Editorial Report] Managua LA PRENSA in Spanish of 28 September 1993 on pages 1 and 10 reports that, according to various media reports, Alvin Guthrie, Andres Robles, Maxwell Atily, and Guillermo Chavarria have announced the "possibility" of their resigning from the center group. As a result, according to the article, the Nicaraguan Socialist Party, headed by National Assembly President Gustavo Tablada, will extend its influence in the group. The article also reports that Frank Duarte, National Assembly first secretary, stated his decision to "distance himself" from the center group because the group can no longer "count on support from the Executive."

Panama

Electoral Tribunal Decree Convenes 1994 Elections

PA1310133993 Panama City CRITICA LIBRE in Spanish 11 Oct 93 p 29

[Text] Electoral Tribunal Decree No. 30 (of 7 October 1993), by which general elections are summoned to elect a president and vice president of the Republic, legislators, mayors, aldermen, and magistrate [corregimiento] representatives, and by which the electoral process is declared open and an electoral calendar is adopted

The Electoral Tribunal, in exercising its constitutional and legal authority, Whereas:

That Article 136 of the Political Constitution entrusts the Electoral Tribunal with the responsibility of guaranteeing the freedom, honesty, and efficiency of general elections;

That the Electoral Code approved by Law No. 11 of 10 August 1993 and modified through Law No. 17 of 30 June 1993, establishes under its Article 171 that the elections for president and vice president of the Republic, for legislators, mayors, magistrate [corregimiento] representative, and councilmen, will take place on the first Sunday in May in the year elections should be held, and if this day falls on the first day of the month, elections will be held the following Sunday;

That in accordance with Article 168 of the Electoral Code and under Paragraph 2 of Article 10 of Law No. 4 of 10 February 1978, internal to the Electoral Tribunal, it is up to this institution to decree the opening of the electoral process after summoning elections;

That Article 168 of the Electoral Code in Paragraph 2 states that the electoral process for general elections will start six months previous to the elections;

That the Electoral Code outlines various stages that must be reached before and during the electoral process, thereby making it necessary to establish an electoral calendar for the 1994 general elections;

And that the term for those posts subject to general elections expires on 1 September 1994; Decrees:

Article 1: General elections to elect a president and vice president of the Republic, legislators, mayors, and magistrate [corregimiento] representatives are hereby summoned. The elections will be held on Sunday, 8 May 1994, throughout the nation.

Article 2: General elections are hereby convened to elect councilmen. The elections will be held on Sunday, 8 May 1994, in the following districts: Changuinola, in Bocas del Toro Province (2 councilmen); Aguadulce, in Cocle Province (1 councilman); Baru, in Chiriqui Province (2 councilmen); Boquete, in Chiriqui Province (2 councilmen); Sambu, in the Embera Intendancy (3 councilmen); Cemaco, in the Embera Intendancy (2 councilmen); Chitre, in Herrera Province (2 councilmen); Santa Maria, in Herrera Province (2 councilmen); Pedasi, in Los Santos Province (1 councilman); Chiman, in Panama Province (2 councilmen); Taboga, in Panama Province (2 councilmen); Atalaya, in Veraguas Province (2 councilmen); and Rio de Jesus, in Veraguas Province (1 councilman).

Article 3: The electoral process for the 8 May 1994 elections is hereby declared open as of eighth-thirty (8:30) in the morning on 8 November 1993.

Time Limits and Actions

8 November 1993 to 13 January 1994—Period for the presentation of objections to supporters of independent candidates.

8 November 1993 to 8 February 1994—Period allowed for political parties to nominate their candidates to the

posts posts of president and vice president of the Republic, legislators, mayors, corregimiento representatives, and councilmen.

8 February 1994—Publication and presentation of the final electoral register to the political parties. At this time, the definitive number of polling tables, voters, and polling sites will be known.

8 February 1994—Last day for political parties to present their nominations. The deadline expires at 1630.

10 February 1994—Drawing to select the ballot color for independent candidates.

8 April 1994—Last day for political parties and independent candidates to provide the listing of their representatives at the voting tables, polling sites, and vote-counting boards. After this date, the Electoral Tribunal does not guarantee the issuance of corresponding identification badges.

2 May 1994—Day on which the executive branch will place the Public Force at the disposal of the Electoral Tribunal, until the winning candidates of the offices of president and vice president of the Republic are proclaimed.

6 May 1994—The closing of the campaign of political parties and independent candidates shall take effect at midnight on Friday, 6 May.

7 May to 9 May 1994—From noon on Saturday, 7 May, until noon on Monday, 9 May, bars, liquor stores, nightclubs, ballrooms, and other places where alcoholic beverages are sold shall be closed; and prohibition to sell, give, transfer, use, and consume alcoholic beverages, including wines, beers, and fermented beverages.

8 May 1994—Holding of national elections.

Article 5 [numeral as published]: This decree shall go into force on the eighth (8) of October of the year nineteen-ninety-three (1993) and its publication in the Electoral Bulletin and at least one national circulation newspaper is hereby ordered.

[Issued] Panana City on the seventh (7) day of the month of October of the year nineteen-ninety-three (1993), be it published and fulfilled

[Signed] Eduardo Valdes E., magistrate president; Dennis Allen F., magistrate vice president; Guillermo Marquez A., nonvoting magistrate; Melva d'Anello G., secretary general

Argentina

Menem Announces Constitutional Reform Plebiscite

PY1310173993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1556 GMT 13 Oct 93

[Text] Buenos Aires, 13 Oct (NA)—President Carlos Menem today announced that he will call a plebiscite to decide the question of the constitutional reform and the re-election of the president. He anticipated that it will "probably" be held "in November." The head of state said the plebiscite "will not be negotiated" during the talks between leading representatives of the Justicialist and Radical Civic Union [UCR] Parties. Menem said this during a brief encounter with journalists when he was leaving the Ministry of Culture and Education after opening the 16th Federal Council Assembly.

Commenting on the plebiscite, Menem said: "I am empowered to do so by my party's congress," adding that "I will call it in the next few days; the people should have their say in this issue. The Argentine people are already aware of the need to reform the Constitution so there shouldn't be any problems," he said.

Asked when he will meet with [Cordoba Province] Governor Eduardo Angeloz, Menem answered that he will do so in the next few hours, "or when I return from Chile." The president and Foreign Minister Guido Di Tella will attend the seventh Rio Group presidential summit, to be held in Santiago, Chile, tomorrow.

When asked if the plebiscite would give the government a bargaining tool during the negotiations it will hold with the UCR, Menem answered that the plebiscite "is not a matter for negotiation; it will definitely be held,"

Commenting on the plebiscite called by Rio Negro Province Governor Horacio Massaccesi, Menem said that it was an "excellent" idea, adding that Massaccesi "is a young politician who understands his people."

Former President Clarifies Campaign, Reelection

PY1310190293 Buenos Aires CLARIN in Spanish 12 Oct 93 pp 2,3

[Text] Yesterday [former President] Raul Alfonsin apparently parried a strong thrust by [Cordoba Governor] Eduardo Angeloz, whose position has been strengthened by his electoral victory in Cordoba and who last week arrived in Buenos Aires speaking as if he were virtually a presidential candidate. After hinting that he will not pave the way for the Cordoba governor to reach that objective, the former president warned the government that the UCR [Radical Civic Union] remains categorically opposed to the government project for a constitutional reform and for presidential reelection.

Alfonsin also told his fellow party members that he will not promote "any leadership meeting" for his designation as president of the UCR National Committee or for engaging in conversations with the government. Through a personal communique bearing his signature, he recalled that the UCR National Convention in July 1992 rejected the current constitutional reform, warning that the convention "may not be replaced by any meeting of leaders, no matter how important."

Alfonsin's sudden and categorical intervention comes just 48 hours before a meeting that UCR National Committee President Mario Lozada and Eduardo Duhalde, his peer in the Justicialist Party National Council and their respective executive boards will hold tomorrow at 1200 at the UCR headquarters at the corner of Alsina and Entre Rios Streets, to analyze the constitutional reform issue.

The communique by Alfonsin contradicts reports that the former president and the Cordoba governor would seek an understanding to mutually support each other for reaching their own objectives: Angeloz wants to be presidential candidate for 1995, and Alfonsin, the leader from Chascomus, wants the post of chief of the party national committee.

The former president was reportedly annoyed when he learned in Brazil about the new attitude by Angeloz, who, strengthened by his electoral victory, left his province to work nationwide and consolidate his new political possibilities. One of the objectives of Alfonsin's communique is to slow Angeloz down. Sources close to the former president said that at no time since the elections did the governor hinted at dialogue, although it is believed that the two leaders will meet sometime.

On the external front, the communique by Alfonsin seeks to neutralize efforts by the Menem administration to reach some kind of agreement on the reform through contacts with some UCR leaders. On the internal front, the communique had the same objective: To stop unofficial negotiations between some UCR leaders and government representatives.

The highlights of the communique are:

—Members of the executive board of the national committee, which should represent the various party sectors, must be elected by the delegates; the authorities of the national deputies bloc must be elected by the deputies;

—Candidates for president and vice president of the Republic must be elected by party members; the UCR political strategy must be designed by a plenary session of the UCR National Committee; the electoral platform for the 1995 elections must be designed by the National Convention;

—Consequently, I will not engage in any leadership negotiations entailing the exercise of powers that have been neither granted nor delegated;

—Constitutional Reform: There have been no changes that may prompt the UCR to modify its position, which is based on its principles and which is opposed to the reform because of the lack of legal guarantees, while reelection is considered dangerous for democratic institutions in a strongly presidentialist system like the one in force in Argentina;

This position has been adopted by the National Convention, a party organ that cannot be replaced by any meeting of leaders, no matter how important.

UCR Party Objectives Analyzed

PY1310200593 Buenos Aires CLARIN in Spanish 12 Oct 93 p 3

[Article by Carlos Quiros]

[Text] [Former President] Raul Alfonsin's sudden reaction as soon as he returned from Brazil was a clear message to the Radical Civic Union [UCR], and an even more clear message to the UCR leaders who emerged from the elections on 3 October. The communique by Alfonsin, however, seems to have a specially clear destination: [Cordoba Governor] Eduardo Angeloz.

Alfonsin, who has been abroad for the past seven days, saw that some UCR leaders were starting to favor the idea of negotiating the constitutional reform and that the government had already arranged a meeting between leaders of the two parties for tomorrow.

Sources close to Alfonsin said that the former president feared that his party might lose control over such contacts between UCR and government leaders. He was irritated by the possibility that "the UCR agenda might be designed by Bauza," alluding to the secretary general of the presidency, who is the main sponsor of the contacts with the UCR.

Yet the main destination of Alfonsin's communique, which was released yesterday and is purposely entitled "Clarifying Positions," is Angeloz. It seeks to deactivate the Cordoba governor's strong initiative in the federal capital last week, following his clear electoral victory over [Economy Minister] Domingo Cavallo.

—After confirming that he has enough delegates to be appointed party chief, Alfonsin reminded Angeloz that members of the National Committee and the executive board of the bloc of deputies must be elected by delegates and lawmakers, respectively.

—With this remark, Alfonsin slowed down Angeloz who, as pro-Alfonsin party members claim, already considers himself the UCR presidential candidate. Alfonsin has curtailed Angeloz powers within the party because following his election, Angeloz felt that he had the right to put one of his men, Antonio Maria Hernandez, as the leader of the bloc of national deputies.

—Alfonsin also reminded the party that the political strategy of the UCR must be designed by a plenary session of the national committee, and that the power to design the party electoral platform for 1995 may not be delegated and must be exercised by the National Convention, which is presided over by Osvaldo Alvarez Guerrero. This has curtailed the aspiration of Angeloz that if he becomes the presidential candidate, Alfonsin will play a secondary role.

—Alfonsin reiterated that the dialogue with the opposition must be arranged at a party level, drawing the line for other party leaders who engaged in talks with Menem's administration, even unofficially, like Rio Negro leader Horacio Massaccesi.

PJ Congress Supports Reform, Reelection

PY1310212093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1130 GMT 13 Oct 93

[Excerpt] Buenos Aires, 13 Oct (NA)—The National Congress of the Justicialist Party [PJ] has expressed its firm support for the constitutional reform and for the reelection of President Carlos Menem in one of the strongest bets by the party to seek the reform of the Constitution.

The PJ congress also instructed its congressmen to "totally" support the initiative to reform the Constitution in the two houses of Congress and authorized the PJ National Council to demand that the Executive Branch call a plebiscite on the subject "whenever convenient."

The PJ congress, which took place yesterday in Parque Norte in this capital, lasted seven hours. It represents a key move in the government's need to show unity in a controversial subject like the constitutional reform and to "impose discipline" on its congressmen and thus avoid dissidence.

The PJ congress was closed by President Menem, who pointed out that "the people want a change, and the change is underway." He said his presence sought "to beg for help like the most humble of all Argentines in an effort to continue the transformation" of the country. He remarked that Argentines "no longer want hyperinflation and poverty."

Nearly 500 PJ representatives from a total 800 districts, together with ministers, top government officials, and provincial governors and congressmen on active duty and recently elected, met in the main hall of the Commerce Labor Union complex.

The PJ congress opened at 1200, two hours late, and merely appointed a credentials committee that would control the credentials of the provincial representatives while the executive board completed the document that was later approved. In another hall, Buenos Aires Governor Eduardo Duhalde presided over his first meeting as PJ president upon returning from leave. Leaders

Ruben Marin, Eduardo Bauza, Carlos Corach, and Alberto Kohan were present.

The recess during the PJ congress allowed the senators to hold a private meeting with Duhalde who informed them of the guidelines drafted by the PJ congress in search of the constitutional reform.

Three hours later, the 500 delegates resumed the session and immediately ratified the members of the PJ executive board which is presided by Santiago del Estero Senator Carlos Juarez, and the PJ Council presided by Duhalde. [passage omitted]

Visiting UK Official 'Hopeful' of Trade, Fishing

PY1310234393 Buenos Aires BUENOS AIRES HERALD in English 13 Oct 93 p 11

[Text] British Foreign Office Minister David Heathcoat-Amory emphasized yesterday that the issue of sovereignty over the Malvinas Islands was not negotiable but was hopeful that progress on bilateral trade and disputed fishing rights in the South Atlantic would soon be made.

On an official two-day visit to Argentina, Heathcoat-Amory, who is due to meet President Menem this morning for official talks on bilateral issues, told reporters at Ezeiza International Airport that Britain's relationship with Argentina was "a mature one." He explained that today's talks were scheduled to deal with a number of issues, but ruled out any negotiations on the matter of sovereignty over the Malvinas, saying the issue remained under the diplomatic "umbrella."

The British contingent in today's meeting in Government House will also include new ambassador Sir Peter Hall, Deputy Head of Mission David Reddaway, and Adrian Beamish, an expert on fishing matters. President Menem will be accompanied by Foreign Minister Guido di Tella.

The minister stated that Britain was interested in seeking an agreement to solve the current dispute over South Atlantic fishing rights. However, he admitted that real progress was not likely until October 18-19, when the Bilateral Fishing Commission is due to stage its second annual meeting in San Carlos de Bariloche.

After a brief meeting with Economy Minister Domingo Cavallo and his deputy Carlos Sanchez yesterday, Heathcoat-Amory faced further questions from the press and denied that his recent visit to Uruguay had centred on plans to create an air-link with the Malvinas, saying discussions only touched upon bilateral relations and the latest round of General Agreement on Trade and Tariffs talks.

He also confirmed that Guido di Tella will visit London in the first week of November for talks with British Foreign Minister Douglas Hurd. However, when asked if President Menem will also visit Britain next year, as desired, he said, "That is something we will have to talk about at a later date."

Government Extends Approval Deadline for Fiscal Pact

PY1310234593 Buenos Aires BUENOS AIRES HERALD in English 13 Oct 93 p 5

[Text] (DYN)—The Economy Ministry is adding the final touches to the new sales tax which will be replacing gross income tax in Argentina's provinces and is granting provinces that signed the Fiscal Pact an extra 30 days for their legislative bodies to approve the pact, the Economy Ministry said yesterday. The new sales tax will be around five percent of sales and will be fully in place by 1995 as stipulated in the pact.

According to the draft papers, which will be ready in the next few days, the farming sector will be exempted from the tax although the government still has to submit the draft to the nation's governors for their approval. But the ministry said yesterday that the Public Income Secretariat still hasn't given the draft its nod of approval so there could still be some changes in store. It admitted however that the tax will have "a once-only inflationary effect" similar to when the IVA, value-added tax, was increased to 18 percent.

With yesterday having been the deadline for the provincial legislatures to approve the Fiscal Pact, only the provinces of La Pampa, Chaco, Santiago del Estero had so far approved it. The government has therefore extended the deadline for 30 days for the remaining provinces.

On the subject of the transfer of provincial pension funds to the state, an option which Fiscal Pact signatory provinces have, the reaction has been dissimilar. Chaco has already said that it will transfer its pension funds, other provinces have remained mute on the subject and Santiago del Estero has said directly that it will not transfer them.

Even though the transfer is not compulsory the Economy Ministry feels that most provinces with debt-laden pension funds would be only too glad to hive them off on the state even though this could bring political problems.

Many provincial pension schemes currently allow workers to retire considerably below the ages set by the national funds, usually after having paid into a fund after only 25 years. If the funds are transferred to the state, governors could lose a lot of their political support from those who have been transferred to the national system.

Di Tella Discusses Haiti, South Atlantic, NATO

PY1410000193 Buenos Aires BUENOS AIRES HERALD in English 13 Oct 93 p 11

[Text] (DYN)—Yesterday Foreign Minister Guido di Tella said that although Argentina had no plans to deploy a peacekeeping force in Haiti it would send a field hospital with military doctors. Di Tella, who was one of four speakers at the opening of the Argentina-NATO Seminar on Global Security sponsored by the Argentine

Council on International Relations (CARI), told Atlantic alliance officials: "NATO always defended us, for which we are appreciative. We have 16 friends, although we have problems with some of them."

Defence Minister Oscar Camilion confirmed Di Tella's statements regarding Haiti, saying that Argentina will offer what it can within its economic means. He also indicated that a group of Border Guards would be sent to the Caribbean nation to guard the Argentine Embassy there.

Later, he stated that Argentina had no ambitions to obtain NATO membership although he did not rule out the possibilities of the country's military force participating in international peacekeeping missions.

Referring to the aborted Condor II missile project Camilion said: "We hope that our attitude reaps adequate responses. An attitude of international maturity coincides with the acceptance of the mature countries of the world."

NATO Secretary-General and Second Commandant Amadeo de Frachis and Admiral Sir Peter Woodhead and Regional Forces Analysis and Planning Directors Jonathan Day and Marcel Leroy also attended the event.

Di Tella described non-alignment as "perverse," adding that "now we have changed a diffuse alignment for a more specific one. North-South relations have changed. Before we had a resentful South and a North that took advantage of things." Regarding the South Atlantic, he stressed that "we want an area of peace," adding that "we don't want nuclear arms."

Later in the day, Di Tella was scheduled to meet with visiting British Foreign Office Minister David Heathcoat-Amory, President Carlos Menem and Economy Minister Domingo Cavallo to discuss bilateral issues with the United Kingdom, including commercial aspects, finances and investment. The foreign minister said that he hoped they would "talk about the situation in the South Atlantic."

The seminar was also addressed by United Nations Political Affairs Department Americas Division Director Gilberto Schlitter, who spoke of the "increasing demands" upon the UN for preventive diplomacy, peacemaking and peacekeeping since the end of the Cold War.

Menem Closes NATO Seminar Warning of Regionalism

PY1410004493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1617 GMT 13 Oct 93

[Text] Buenos Aires, 13 Oct (NA)—President Carlos Menem spoke today of "the world consensus on the need to end totalitarian ideologies," warning of the dangers of "a resurgence of regionalism and religious fanaticisms." Menem stressed that Argentina is "proud to be the greatest Latin American contributor to the peacekeeping efforts" organized by the United Nations.

In a speech during the closing session of the "NATO Seminar on Global Security," Menem said that Argentina "has always expressed its willingness" to cooperate with regional organizations to achieve world peace. At noon today, Menem closed the NATO seminar which met at the Alvear Hotel over the past two days. He said he was proud of NATO's presence in Buenos Aires. It is only the second time NATO has met outside its direct area of influence.

Menem said that the seminar made it possible "to reaffirm Argentina's position before the world," at a moment when "there is a world consensus on the need to end totalitarian ideologies and the struggles for democracy, freedom, and equality before the law." The president said the main dangers for global peace were "the resurgence of regionalism and religious fanaticisms which have returned with vengeance."

"Argentina has shown ample proof of its willingness to contribute to the United Nations and will continue on the same path. Today we are proud of being the greatest Latin American contributor to UN peacekeeping efforts," the president said. Menem read a short speech and left without talking to the press. He said that Argentina seeks "to strengthen its approach to NATO," adding that "the trend is for global economies and the search for peace."

The president closed the seminar, sharing the podium with Defense Minister Oscar Camilion, Foreign Minister Guido Di Tella, and Carlos Muniz, chairman of the Argentine Council for International Relations (CARI). Muniz thanked the president and his ministers for their presence, adding that NATO's presence in Argentina "marks the beginning of a new policy of alliances."

'Practically Assured' Army Promotion List Detailed

PY1310235793 Buenos Aires CLARIN in Spanish 6 Oct 93 p 18

[Text] With the retirement of 10 generals (two of them division generals) and the promotion of seven colonels, the promotion list suggested by Army Chief of Staff General Martin Balza is practically assured, given that it was not modified at all by Defense Minister Oscar Camilion.

Government sources reported that Balza, the officer on active duty with the most seniority in the three Armed Forces branches, will remain in his post until the conclusion of President Carlos Menem's current mandate. Three brigade generals will be promoted to division generals: Carlos Quevedo, commander of the 3d Army Corps (Cordoba); David Comini, chief of the Army General Staff; and Carlos Zabala, who will become military attache in Washington, replacing Division Gen. Alberto Maffey, who will retire. Zabala used to be chief

of sector in Croatia, within the framework of the UN peace mission in that Balkan country.

The following colonels will be promoted to brigade generals: Eduardo Cabanillas and Enrique Grazzini (Cavalry); Juan Carlos Andreoli and Anibal Acconcia (Engineering Corps); Calixto de la Torre and Ernesto Bossi (Artillery); and Raul Romero (Infantry).

Beside Gen. Maffey, the following generals will also retire: Horacio Canestro (former deputy chief of the Joint General Staff), Carlos Schilling, David Ruiz Palacios, Ricardo Rapacioli, Edmundo Bertorello, Carlos Settel, Rafael Cazaux, Jose Hilgert, and Walter Gonzalez.

The Army corps chiefs will not be changed, as will not the Military Institutes commander, who is Division Gen. Enrique Laurenti, nor the chief of the Army General Staff, Gen. David Comini.

Colonel Jorge Mina will head the 2d Department (Intelligence) of the Army General Staff, replacing Gen. Schilling and Gen. Alfredo Rolando, will be the new chief of the 1st Department (Personnel) of the Army General Staff. Major Colonel Eduardo Cabanillas (promoted to general) will be the commander of the 10th Infantry Brigade.

Justicialists Pull Out of Corrientes Governor Race

PY1310234693 Buenos Aires BUENOS AIRES HERALD in English 13 Oct 93 p 1

[Text] Corrientes (DYN-NA)—Justicialist candidate Alberto Di Filippo yesterday pulled out of his province's gubernatorial race, putting an end to two years of political uncertainty and paving the way for the Aunonomist Liberal Pact's (PAL) Raul Romero Feris to take over the leadership of Corrientes.

Di Filippo announced his decision after several days of speculation as to whether he would resign or residents of the province would go to the polls later this month for a second round of balloting after no candidate received more than 50 percent of the votes cast in the October 3 election.

Speaking at the Olivos residence following a meeting with President Carlos Menem, Di Filippo said the decision was based on his desire to "facilitate a rapid institutional normalization of the province." He denied a deal had been struck between the two candidates' parties whereby Di Filippo would step down in return for a pledge by Corrientes' national legislators to support the reform of the national Constitution. The President praised Di Filippo for his "nobleness" and noted "it was unproductive to call a new election after Romero Feris' clear victory."

Romero Feris won 48 percent of the ballots cast, a mere 5,000 away from a majority, while Di Filippo, his next closet rival, garnered 37 percent. Corrientes' new Constitution calls for a runoff if no candidate receives at least 50 percent of the vote in the first round.

The issue of whether to hold a runoff had been a source of dissension within the Justicialist Party. While Menem and other government officials had expressed their opposition to a second round, Di Filippo and his provincial backers had called for one. On Monday Corrientes Federal Trustee Ideler Tonelli officially set October 24 as the date for another poll.

Yesterday Tonelli analyzed his tenure as the province's third federally appointed trustee in an interview with Radio America. Tonelli said he was pleased with progress made during his term and praised the October 3 vote as "an exemplary election." He denied harbouring any further political ambitions of his own, saying his goal is to "say goodbye and go home."

Meanwhile, Corrientes' governor-elect told a local news agency he aimed to run a "dynamic (administration) with a good deal of contact with the public." Like his oponent, Romero Feris denied earlier in the day that the two parties had made any deal because "the will of the people must be respected." Di Filippo's move puts an end to what has been a two-year campaign for both Romero Feris and himself.

The pair originally squared off in a 1991 election but neither one could be declared the victor due to a deadlock in the since-abolished Electoral College. The standstill led the national government to impose a succession of trustees on the province.

* Senators Offer Views on Constitutional Reform

* Selected Views Reported

93SM0450A Buenos Aires CLARIN in Spanish 9 Sep 93 p 6

[Article by unidentified correspondent]

[Text] The second day of the debate now under way in the Senate concerning the government's proposal to reform the constitution featured the arguments of several lawmakers. Leopoldo Bravo from San Juan advised "waiting until after the elections" to vote. Fellow San Juan Senator Alfredo Avelin expressed his opposition, saying the country had "other priorities." Jose Antonio Romero Feris, representing Corrientes, straightforwardly expressed his "categorical rejection" of the Peronist proposal, while Peronist Alberto Rodriguez Saa once again labeled the proposal as a "loser."

Yesterday was the second day of the Senate debate that will decide the fate of the government's proposal to reform the constitution. The following lawmakers spoke:

Bravo: "We Must Wait"

Senator Leopoldo Bravo, representing the bloc, resumed the debate at 1100 yesterday with an anxiously awaited

speech. Because of the refusal of a number of Peronists to support the reform, his vote is now crucial in determining the proposal's fate.

Speaking haltingly and softly, Bravo stood firm on his position of postponing the debate until after the 3 October elections: "We must wait until the elections are over so that we will have the numbers in hand and be able to see how the political forces are shaping up."

For Bravo, "there is a time for everything and my long experience in politics has shown me that we must let events take their course. Obsessions and yearning are poor advisers."

However, as if to leave the door open for the ruling party, Bravo (who in 1995 will need the backing of the PJ [Justicialist Party] if the Senate is to approve his bid for another nine-year senatorial term), said he was a reformist, as he was when Raul Alfonsin promoted reform, albeit unsuccessfully.

Taking a conciliatory tack, Bravo offered the Peronists a way out of the impasse into which Bordon and Cafiero led them with their negative stance, proposing a fourth recess until 12 October or "as long as the body deems necessary."

Avelin: "Other Priorities"

Senator Alfredo Avelin from San Juan (Renewal Crusade) spoke in open opposition to the reform. Although he said, paradoxically enough, "I am a reformist by temperament," he based his rejection on the fact that "the country now has other priorities," an argument wielded by Peronist Italo Luder when the Radicals were cultivating their reformist dream.

Avelin then surprised the 20 or so senators present in the chamber by emphasizing the attitude of the senator from Mendoza, Jose Octavio Bordon, advancing the idea of a consensus for debating the issue "because that would express conviction, that would express patriotism, that would show national strength in proposing what we have to say."

According to Avelin, it is not necessary to reform the constitution because first the situation of the regional economies, the "depopulation of entire regions, and the disintegration of Patagonia" must be solved. He also emphasized that "there is no real development" and that the problems of health, employment, and education in the country "are getting worse."

The senator from San Juan noted that the constitution "must not be reformed as the result of a whim or narrow political interests. We have had enough capriciousness, pettiness, and selfishness."

Romero Feris: "Total Rejection"

As anticipated, Senator Jose Antonio Romero Feris from Corrientes confirmed his "categorical rejection" of the constitutional reform, claiming that "the government's reformist push is tainted by partisan interests rather than being inspired by real institutional needs."

For the representative of autonomism, these partisan interests have "prevented any serious debate" and hurt the consensus required by reform. Furthermore, he said, "they have had aftereffects on the institutional sphere that are difficult to overcome."

Speaking directly, Romero Feris said "the real issue of reform is reelection," a decision that "mortally wounded" debate in the Senate.

The lawmaker from Corrientes also recalled and criticized the reformist pretentions of Raul Alfonsin's government: "Yesterday the Radicals and today the Peronists share an intention characterized by willfulness and ingenuousness," believing that just because "something is written, it will take effect."

Expressing his antireformist stance, he referred to Juan Bautista Alberdi in quoting a paragraph from the "Bases" to the effect that "the trouble does not lie in what is written, but rather, in what we actually do, in the real world, in the facts, in things and persons."

Oyarzun: "Leaving Dogmas"

Juan Carlos Oyarzun from Tierra del Fuego, one of those anxious to declare the need for the reform, spoke briefly to emphasize that the constitution must be adapted to the times in which we live. He argued for leaving all dogmatism aside and for "having the courage to interpret reality."

In a speech which he read, Oyarzun defended the position of the Peronists in challenging Radical and other senators who alluded to the supposed lack of guarantees for initiating a process to modify the constitution.

"No one can say today that public freedoms are not guaranteed inasmuch as we can all express our ideas and educate public opinion. We can agree or disagree with the reelection of the president in office, but that must be decided by the people exercising their sovereign will at the polls," Oyarzun said in remarks that were music to the ears of the Peronist senators.

Villarroel: "Only Seeking Power"

In contrast, Pedro Villarroel, a Radical senator from Catamarca who represents the Civic and Social Front, provided the surprise for this part of the session. Without mincing his words in the slightest, Villarroel said that if any one thing is clear about the reformist endeavor, "it is that it is an attempt to conserve and increase power."

He said there could be no consensus on this point, which inherently promotes one candidacy, "something that promotes dissociation. This goes against a fundamental value of the constitution, the search for harmony through an associative purpose."

Villarroel dealt the proposal another blow when he said there was no reelectionist tradition in Latin America with the exception of the Dominican Republic and Paraguay. He said the constitution of the United States provides for it, but with a different system of election.

Otero: "Avoiding the Nightmare"

Walking with difficulty, making an effort to breathe, and confirming fears for his health, Edison Otero arrived in the Senate chamber on the arm of an aide. He was once vice president of the Chamber, this old friend of Alfonsin's, "a simple local politician," as he said yesterday in the climax to his speech.

Otero spoke of Alfonsin, of how the then president took a misstep in asking that the Council To Consolidate Democracy draft a preliminary constitutional reform proposal without including reelection.

"I see faces younger than those of my children," he said, looking at 30-ish Senators Jorge Massat and Mario Fadel, one from Santa Fe and the other from Catamarca, both with the ruling party. "I want to tell them and my grandchildren that I do not have much time left, but that this grandfather still dreams of a country with a consensus," he told an absolutely quiet chamber. "I do not want anyone to have to live through the nightmare we suffered ever again."

Solana: "More Participation"

Senator Jorge Solana from Neuquen is convinced of the benefits of constitutional reform and of the fact that the law should be passed by two-thirds of the members of the Chamber. He said as much in his speech yesterday, thereby confirming that he was among those voting in the affirmative, which was news to no one. However, he did reveal one little-known fact: his opinion of what the numbers will look like when it comes time to vote.

Underlining the importance of the issue, he said he saw a true climate for a "constituent assembly," which enabled him to emphasize the changes being proposed for the future constitution. "We must expand the channels of participation," he said.

Solana thus appeared to be the only one of the 48 senators to accept the law, while at the same time asking for its passage by two-thirds of the 48, meaning the backing of 32 senators.

Solari Yrigoyen: "No Guarantees"

"The country is concerned about other things such as the massive layoffs affecting so many Argentine homes," Radical Hipolito Solari Yrigoyen began, as if to restore the bipolar climate just destroyed by his colleague Edison Otero.

Solari returned to the charge against the "lack of wisdom or guarantees" and, along with other references, appealed to the succession of orders concerning necessity and urgency.

One central political point enabled him to relate the two reformist wagers of Peronism: the first in '49 and this one, with one difference: "The former was an attempt to bury liberalism, considering it outdated. This one, in contrast, seeks to expand it through privatizations, freedom of the market, and declining workers' rights."

* Differing Opinions Aired

93SM0450B Buenos Aires CLARIN in Spanish
10 Sep 93 p 12

[Article by unidentified correspondent]

[Text] The Peronist senators comprised the majority of those taking to the microphone yesterday to defend the proposed constitutional reform. Senator Ricardo Brana from Formosa stressed the fact that reform is necessary "in order to go through phases solidifying our institutions." Mario Fadel from Catamarca justified the proposal because, he said, it will bring a "new concept of federalism." Deolindo Bittel from Chaco good-naturedly praised the Radicals, but also unloaded a string of harsh criticisms. Radical Senator Ricardo Lafferriere from Entre Rios said in an extemporaneous speech that if there is no consensus on reform, "there will be no winners."

Yesterday was the third day of the Senate debate on constitutional reform and featured the largest number of speakers. The following were some of the senators' views:

Branda: "Do Not Be Afraid"

Peronist Senator Ricardo Branda from Formosa began the long series of speeches by members of the party in power yesterday afternoon. The speeches actually added little to Wednesday's line of arguments that had already defined the Justicialist defense of the reform.

Despite that fact, Branda took one previously unexplored path: "Constitutional reform is necessary in order to go through phases solidifying our institutions," he said, although he did not specify to which institutions he was referring.

Speaking extemporaneously at times, but generally reading his speech, the Formosa lawmaker stressed that "the circumstances are right" for carrying out a reform now.

In his only reference to the opposition, Branda asked Radicals not "to be afraid of reform" and claimed, despite the incredulous stares of his peers, that the reform "is not solely for the purpose of reelecting" President Carlos Menem.

Luduena: "Out of Loyalty to the PJ"

In an out-of-character moment of frankness yesterday, Santa Cruz Peronist Felipe Luduena, a veteran oil industry trade unionist, said that because of a "feeling of loyalty to a great idea (Peronism), I do not want to see a

citizen deprived of the opportunity of competing honestly in the elections, which is what is happening to the president." This was the most direct reference made by any lawmaker from the ruling party linking the debate over the reform with Carlos Menem's wish to have the possibility of being reelected.

Luduena was also frank in admitting that the speech he proceeded thereupon to read had been written by his advisers (those speaking extemporaneously in the Senate are the exception). In yet another unusual gesture, he spoke to Peronist Alberto Rodriguez Saa (who had excluded himself from the ruling party bloc) and said: "You hit us hard, but I congratulate you because you did it openly."

Responding to criticisms from the Radicals, Luduena said "we (Peronists) know what kind of a country we want to build," then once again defended the reelection of the president.

Almudevar: "It Is Necessary"

Peronist Martin Almudevar from La Pampa said yesterday that this is the time to face constitutional reform ("It is necessary and timely," he said), observing that it is not a traumatic thing to modify the constitution.

The lawmaker from La Pampa criticized the Radical senators without naming them, guaranteeing that "those who lay a mantle of suspicion on reform are defending sectoral interests."

Elegantly, but without taking his eyes off the text of his written speech, he said that in La Pampa Province, "debate is under way on reform."

Finally, he asked that "we look at" constitutionasl reform "through the eyes of the people."

Fadel: "For Federalism"

Mario Fadel, the young Peronist from Catamarca, was manifestly nervous about participating in yesterday's debate about constitutional reform, a fact made obvious by certain difficulties he experienced reading his speech, which was written on cards.

The Catamarcan lawmaker began his remarks by speaking about "political bossism and feudal hindrances" in a number of provinces, an obvious reference to Catamarca. It was a reference that enabled him to defend the need to introduce forms of semidirect democracy.

He then went on to reveal what is apparently his main concern: the fate of federalism in Argentina.

The Catamarcan lawmaker said reform was indispensable in order to achieve "a new conception of federalism." He complained about the emigration that has hit his province and emphasized the "dire straits" in which Catamarcans live.

Snopek: "The Time Has Come"

At dusk yesterday, Jujuy Peronist Guillermo Snopek began to read a speech that went on for nearly two hours. For Snopek, as for the colleagues from his bench, this is the "right time to promote reform and those who speak about a consensus with all political forces are using a dialectical tactic to conceal a power struggle." No one had the slightest doubt that this was a reference to the position of Mendoza Senator Jose Octavio Bordon.

Snopek then went on to attack the Radicals, claiming that their objections "do not deserve to be heard because they are the wolf in sheep's clothing."

He also made the purpose of the debate clear: "Constitutional reform must be achieved and it must be achieved now."

Storani: "I Do Not Like It"

Cordoban Radical Conrado Storani strayed from the subject at hand yesterday and, in addition to criticizing the ruling party's attempt to reform the constitution, took the time to criticize Minister Domingo Cavallo harshly. To the great surprise of those close to him and others, Storani predicted that "the country is on the verge of chaos" economically speaking.

Before referring to Cavallo, Storani said the nation has needed a division of powers: "This is one of the points for exposing one of the fundamental flaws of this government that I do not like and I say so openly."

The Radical senator also said there was a failure to recognize the independence of the Judicial Branch, including the Supreme Court.

Leon: "No Exclusions"

Radical Luis Leon from Chaco opposed the reelection of presidents, not only in the case of Carlos Menem, but in general. In his opinion, "the abuse of power in the service of special interests has been a constant in Argentina."

Speaking slowly, the senator turned to handwritten notations to back his speech, saying that with the reelection [of presidents], there have always been "customs and ingredients that do not express republican virtues" because "when public affairs are mixed with private business, virtue is trampled."

As is his wont, Leon constantly appealed to historical examples of republican morals and advised Menem, whom he said he respected because he is his president, to follow in the footsteps of Roca and Yrigoyen, who have not let themselves be influenced by "siren songs." Directly confronting the ruling party's replies to those opposing his reelection, Leon maintained that "he has not been excluded."

Cabana: "No Controversy"

Jujuy Peronist Fernando Cabana, who like most lawmakers read his speech despite the ban on such a practice, said yesterday that "the need for a partial reform of the constitution is a fact about which there is no controversy."

He maintained that a "parent" law should be an exact expression of the "prevailing political idea in society and a suitable tool for achieving the goals inspiring social organization."

Cabana also made the claim of the two-thirds vote and said the possibility of reelection should be no obstacle to approval of the reform.

Sanchez: "100 Years of Crisis"

La Rioja Peronist Libardo Sanchez was one of the last lawmakers to speak yesterday before it was decided to postpone voting on the reform until 13 October.

In his speech, Sanchez maintained that "this crisis is the result of over 100 years of this country's life that must be reviewed, not in order to fall prey to absurd revisionism, but rather, to explain the absurd situation in which we now find ourselves."

When the lawmaker's voice was heard, those in the corridors of the Upper Chamber realized that the voting would not take place as the ruling party had hoped.

Bolivia

Sanchez de Lozada Leaves for Rio Group Summit

PY1310170893 Madrid EFE in Spanish 1400 GMT 13 Oct 93

[Text] La Paz, 13 Oct (EFE)—Today Bolivian President Gonzalo Sanchez de Lozada will become the first Bolivian president to visit Santiago, Chile. He will be doing so within the framework of the Rio Group presidential summit.

Sanchez de Lozada boarded an special Lloyd Bolivian Airline (LAB) plane that left El Alto international airport at 0924 (1324 GMT) for Santiago. Sanchez de Lozada is traveling in the company of Foreign Minister Antonio Aranibar, Human Development Minister Fernando Romero, and Minister of the Presidency Carlos Sanchez Berzain.

Social Communications Minister Hermann Antelo will meet up with the official delegation in Santiago. He arrived there yesterday to coordinate President Sanchez de Lozada's activities.

Briefs Journalists Before Trip

PY1310194893 La Paz Television Nacional Network in Spanish 1700 GMT 13 Oct 93

[Excerpts] As we informed you a few minutes ago, the president of the Republic, Gonzalo Sanchez de Lozada, traveled this morning to Santiago. He made it clear that the reason for his trip is to attend the Rio Group presidential summit. It is not an official visit. At any rate, the president was optimistic about this trip. [passage omitted]

Afterwards, the president briefly talked to journalists.

[Begin recording] [Sanchez de Lozada] My hopes are and must be harbored by the entire Bolivian nation. It is a very important opportunity. But as I have said, I will not bring back any presents. I will seek agreement. I will establish very important ties and contacts with the Chilean church, Chilean entrepreneurs, Chilean media, and obviously the Chilean Government. It will be in every aspect a contact with the Chilean nation, to listen to them and become acquainted with them, to allow them to become acquainted with us and with what Bolivia is attempting to forge, what we are seeking, and what path are we considering for the future.

[Unidentified reporter] [question indistinct]

[Sanchez de Lozada] I actually do not view it as a rapprochement, because you must remember, and I emphasize this, that I am leaving to attend the Rio Group meeting, which is a meeting of 11 presidents to discuss hemispheric topics concerning all Latin Americans.

Nevertheless, I will try to take advantage of this opportunity to describe the Bolivian position and reality and to listen to the Chilean position and reality so as to achieve greater understanding. This meeting represents an opportunity for rapprochement, but I am not leaving with a proposal, with negotiations. I am leaving to familiarize myself with the people, because a way may be found through talks.

Nevertheless, what obviously represents a top priority and is most important on this trip is to become familiar with the continent's problems. For Bolivia, however, it is important to hold [words indistinct] [end recording] [passage omitted]

Brazil

Police 'Concerned' by Appearance of 'Skunk' Drug

PY1310150793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Oct 93 p C4

[Article by Marcelo Faria de Barros]

[Text] State Narcotics Investigation Department (Denarc) police are concerned by the appearance in Sao Paulo of a new drug named skunk [preceding word in English]

(a person with an offensive odor, in Dutch), a sort of processed marijuana. On 7 October, Denarc seized 30 grams of skunk from entrepreneurs Eduardo Toledo Protasio de Almeida, 25, and Roberto Duarte da Rocha Paes, 25, both of whom belong to traditional families in Sao Paulo.

The two entrepreneurs were arrested while trying to sell the drug to a policeman disguised as a buyer. An ounce (30 grams) of skunk was to be sold for $500 (70,000 new cruzeiros). Charges for flagrant involvement in drug trafficking were filed against both entrepreneurs.

According to inspector Alberto Corazza, the Denarc Prevention and Education Division chief, skunk appeared about four years ago in the Netherlands. Agronomy experts working for Netherlander drug-trafficking organizations grew marijuana in greenhouses and created a hybrid plant blending various species of cannabis sativa. In this plant, tetrahydrocannabinol (THC), the active agent, is 20 times higher than that of marijuana.

Skunk weed [preceding two words in English] or skunk redbeard [preceding two words in English] bear their names because of their pungent and offensive odor. According to Corazza, the typical marijuana stalk takes one year to grow. As a dwarf plant, skunk takes one month to grow. While the active THC agent totals 3 percent in marijuana, the new drug's THC content ranges between 9 and 30 percent.

The Denarc inspector explains: "The drug initially causes numbness, then the person goes through a state of euphoria, and finally violence is exacerbated. Frequent consumption of this drug produces impotence in men and subsequent unwillingness to practice sports, indulge in leisure, and do work."

As it is a very expensive narcotic, each ounce is being sold for $500 in Europe, and given the sophisticated technology to produce it, Corazza believes it will take some time for skunk to arrive in Brazil. Nevertheless, police remain vigilant on this issue. In the two entrepreneurs' case, the drug was imported from the United States.

Cocaine

Joselia Villa Nova dos Santos, 29, was arrested yesterday afternoon by Federal Police at Guarulhos International Airport while attempting to board an airplane for Zurich, Switzerland, with 12 kg of cocaine. This was the 48th cocaine seizure this year at the airport. Seventy people have been arrested and 250 kg of cocaine have been seized.

Congressmen Willing To Change Monopolies Rules

PY1310155693 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Oct 93 p 1

[Text] Most congressmen want to modify the state monopolies, one of the most controversial subjects on the constitutional revision agenda. According to a Datafolha poll, 58 percent of congressmen endorse changes in the oil monopoly and 68 percent in the telecommunications monopoly. Contrary to the mentality that prevailed in 1988 when the current Constitution was drafted, most congressmen now accept the participation of foreign capital in these two fields.

Mines and Energy Minister Opposes Privatization

PY1310155493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Oct 93 p B1

[Article by Suely Caldas]

[Excerpt] Rio de Janeiro—Defeated this past week to the point of being punished by President Itamar Franco with the suspension of his trip to Germany, Mines and Energy Minister Paulino Cicero and the state public companies are willing to fight to prevent Finance Minister Fernando Henrique Cardoso from privatizing the electricity sector.

The conflict between the two ministers, which used to be restricted to private meetings in the Finance Ministry in Brasilia, has become public and is becoming increasingly aggressive to the point of demanding President Franco's mediation in the past few days.

The total lack of understanding between the two ministers has forced Minister Paulino Cicero to attack. Confident in the support of President Franco's Minas Gerais group of friends, Cicero called a news conference and established some rules: The Angra-2 nuclear and the Xingo hydroelectric plants will not be touched. This means that the Finance Ministry, which already had given up privatizing power plants, will not be able to sell 19 hydroelectric plants under construction that cost the Treasury $1 billion per year even though their construction is paralyzed.

Furnas [Furnas Electric Power Plants, Inc.] President Marcelo Siqueira relies on his old friendship with President Franco to assert that a few construction projects that may be partially privatized will continue being operated by Furnas after work is finished. That is, the state will remain in control. [passage omitted]

Congress Begins Discussing Constitutional Reform

PY1310221293 Madrid EFE in Spanish 1930 GMT 13 Oct 93

[Text] Brasilia, 13 Oct (EFE)—The Brazilian Congress today began to discuss the rules for the proceedings to be used during the constitutional reform. Congressmen are trying to enlist the parties that make up the Antireform Front.

Deputy Ibsen Pinheiro, coordinator of the draft rule of proceedings, agreed to negotiate the terms of the document with the group that opposes the initiative, which is

headed by the Democratic Labor Party (PDT, a social democratic party) and the Workers Party (PT, a socialist party).

The debate on the rules of proceedings will continue until the end of this month. Legislators will then analyze the proposals for reforming the 1988 Constitution, which contains 315 articles.

Within the framework of obstructionist practices, PT Deputy Jose Genoino challenged the legality of Congress President Senator Humberto Lucena, of the Brazilian Democratic Movement Party (PMDB moderate faction), to preside over the revision of the Constitution. Moderate faction Deputy Nelson Jobin should be elected general reform coordinator in the next few days.

French Prime Minister Meets Minister Cardoso

PY1310163093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Oct 93 Economy and Business Section p 1

[Article by "correspondent" Reali Junior]

[Text] Paris—The meeting at noon today between French Prime Minister Edouard Balladur and Brazilian Finance Minister Fernando Henrique Cardoso was canceled at first at the initiative of Hotel Matignon, site of the French Government. No plausible explanation whatsoever has been given for a gesture that partially reduced the political significance being given to the Brazilian finance minister's visit. However, late in the afternoon the minister's advisers in Brasilia confirmed the meeting. The French prime minister's retreat was attributed in Paris to political negotiations by the French Government to prevent diplomatic repercussions over the meeting's cancellation. Brazilian Ambassador to Paris Alberto Leite Barbosa was in charge of announcing the meeting would be held after all.

The French Government Press Secretariat had confirmed the cancellation. But concerning the reasons for the meeting's suspension, it only replied: "No comment." Other government groups, however, reacted in various ways, regretting the event and terming the French attitude inappropriate.

Some groups are interpreting the event as a political move because of the Brazilian position at GATT negotiations on agricultural products. As a "Cairns Group" member, Brazil is much closer to the United States than to France in its demands for the end of subsidies and aid to European agriculture.

France has never made so much effort to obtain support for its positions within GATT. French envoys have been sent to several countries in the quest for political support. Minister Cardoso himself admitted yesterday that Brazil's interests do not coincide with those of France.

The minister said he will discuss the matter today during contacts with Foreign Affairs Minister Alain Juppe, Economy Minister Edmond Alphandery, and Industry and Commerce Minister Gerard Longuet, who, together with the agriculture minister, are the main French representatives in negotiations between the EC and GATT and the United States. France could clearly see the country's understanding in this area.

Yesterday Cardoso met Bank of France President Jean Claude Trichet and new Paris Club President Cristian Noyer. According to Cardoso, the crisis with the Paris Club has been solved and Brazil is only thinking of a new renegotiation at the conclusion of the agreement with private banks, following Senate approval.

Minister Britto on Future of Social Security System

PY1310234993 Rio de Janeiro O GLOBO in Portuguese 9 Oct 93 p 3

[Interview with Social Security Minister Antonio Britto by Ascanio Seleme in Brasilia; date not given]

[Excerpts] [Seleme] Will the government send to Congress, during the constitutional reform, amendment proposals to the social security system?

[Britto] The government does not need to send any project to Congress. It can simply go to Congress and support a proposal which was discussed last year by a special commission that studied what the social security system should be and decided on a reformed model. One advantage is that I was the sponsor of that proposal when I was a federal deputy.

[Seleme] What are the main points of that proposal?

[Britto] The essential point deals with financing. There is no one in Brazil who is not aware that the financial system of health, social security, and social assistance does not work. The evidence is that for five years there has been no money, that for five years the people have lived with the drama of our hospitals, and for five years the social security system has been vainly fighting deficits and difficulties. The first question is how to change the financial system. In the case of social security, financing is like reducing contributions. The social security system must pay pensions to all Brazilians but only 39 percent of those who earn salaries and have employment record cards pay contributions. The Brazilian system is very unfair. While most people suffer to receive a small pension, some less poor people begin to collect, from the same basket where there is not enough for everyone, four or five times the regular pension, or even unlimited pensions. For this reason I defend the Robin Hood system, when the majority takes a little from the minority. The Brazilian system is original: It is the Robin Hood system, where the minority takes from the majority.

[Seleme] How can we expand that contribution to ease the load on wage earners?

[Britto] We must first establish a system of equality, not just for a financially balanced system but so that the people may have a morally defendable system. Measures cannot be adopted in an isolated manner. We must also change the system of privileges, the health and social assistance matters. Without this, no system will be sufficient to finance that enormous system. It would be useless to change the financial system alone. In addition to facing these privileges, we must also seek contributions from those areas which do not contribute. The first measure would be to include the rural sector. We are spending $5 billion this year in the rural area, while their contributions do not reach $800 million. In addition to financing, we must also seek justice, in that those who will receive a pension must contribute now. [passage omitted]

[Seleme] If this is approved in the constitutional reform, will that formula be broad enough to cover all future retirements?

[Britto] It will not change the status of those who are already retired nor will it affect those who are about to retire. For pensioners and those are near retirement, a period of grace must be granted for the implementation of a new formula. This still needs to be discussed. I want to assume, on behalf of President Itamar Franco, a commitment: No reform will affect or harm those who are already retired or those workers who are about to retire. I want to use a soccer image. No one who is in the middle of the second half needs to worry. We will not disallow any goal already scored. On the contrary, all goals will be respected. Congress has the same opinion and the judicial branch will not permit any disrespect for acquired rights. [passage omitted]

Agriculture Minister Assumes Post; Charges 'False'

PY1410005893 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Oct 93

[Text] New Agriculture Minister Dejandir Dalpasquale assumed office in Brasilia today. In a brief and simple ceremony at the office of President Itamar Franco, the new agriculture minister assumed office. Dalpasquale's appointment had depended on an endorsement from the PMDB [Brazilian Democratic Movement Party].

In a letter sent to President Itamar Franco, PMDB President Luiz Henrique da Silveira said the charges of irregularities during Dalpasquale's administration of the BNCC [National Cooperation Credit Bank] were false. According to Da Silva, the party nominated an honorable man.

The president also received explanations from the minister himself, who denied reported loans to the Southern Power Plant and to the Rondonia Cooperative, which is led by his son. He added that the BNCC's accounts were supervised by the Central Bank and approved by the National Accounting Office.

[Begin Dalpasquale recording] The president obviously wanted the party to assume the same responsibility that I am assuming now, and the PMDB has shown its solidarity with me. [end recording]

Editorial: Future of U.S. Role in 'New World Order'

PY1310221493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Oct 93 p A3

[Editorial from the "Notes and Information" page: "The Flip Side of the 'New Order'"]

[Text] "The new world order" is being buried under the rubble of the failure of the UN intervention in Somalia. In that poverty-stricken backwater of Africa, the power which after the crumbling of the Soviet Union and the Persian Gulf war was announced as the new ruler of the world is getting to know its limits. And these are not as broad as was the pride of those who were victorious two years ago.

The prowess evinced by the U.S. Government during the Persian Gulf crisis, coupled with its ability to garner the support of the allied nations which endorsed UN resolutions on this issue, something that everybody thought impossible to achieve, and its display of technological superiority during the war, were the bases upon which the "new world order" theorists propounded their ideas as inevitable and unavoidable. The United States thus emerged as a superpower which, supported by its moral and military superiority, would define trends and impose its will on the world through the United Nations, which would legitimize its role.

Now the superpower is in the throes of vacillations and uncertainties, and the international organization does not always manage to stand up to the demands of efficiency and effectivity that are expected of an agency that has an equal share of power. The post-war period was disappointing compared with the magnificence of the diplomatic and military spectacle mounted by the United States, and it hinted that the "new order" may have been a mere label. The United Nations in turn continued to collect failures, Bosnia-Herzegovina and Angola cast a cloud over the apparent normalization of the political process in Cambodia. In Somalia, the shortcomings of the superpower are added to those of the international organization.

The intervention in Somalia was done under a humanitarian pretext, namely to prevent thousands of people from starving to death because the warmongers who tore the country asunder when the state collapsed in civil war had taken possession of the country's scarce agricultural production and had intercepted foreign aid. The United States assumed the de facto leadership of the operation, but did not take the trouble to establish clearly defined objectives and deadlines for ending this task. Therefore what should have been a humanitarian mission became a clumsy attempt at reconstructing the state. With no

planning behind it, this attempt was transmuted into a unilateral military action against General Mohamed Aideed.

Whenever there is a casualty among the U.S. forces, President Bill Clinton authorizes the dispatch of more troops and weapons. He is under pressure from the Senate, which has just postponed until next week the vote on a motion to withdraw U.S. troops, in light of the emotional climate that prevails in the United States concerning a humanitarian operation which has now become a small-scale war that nobody wants.

This is the new face of the "new order." Clinton was elected on an eminently domestic platform, which he tried to stick to at the beginning of his term in office, a constraining contradiction to the role of international leader that the United States claims for itself and which the world expects. With regard to Somalia, Clinton was ensnared in an impasse, could not retrace his steps to extricate himself from the problem, and could not advance in a resolute way. He then resorted to a play on words that is proved false by the actions he takes. "I am not satisfied with the protection of U.S. soldiers and have therefore authorized increased armed protection. This does not mean a new commitment or offensive action," he said, in authorizing the dispatch of more soldiers, M-1 tanks, Bradley fighting vehicles, and AC-130 fighter aircraft to Somalia. The contradictions in the U.S. policy in Somalia are just the epitome of those occurring elsewhere.

Bill Clinton arrived at the White House poorly prepared for the difficult moment of transition which is confronting the international system. The president is still foolhardy. He ventures into uncharted waters without assessing the consequences of such actions or anticipating how he will get out. His policy is thus based on the concepts of internationalism and free trade, both of which demand a careful enunciation to put them in into practice. And it is precisely here where he fails.

The concept of internationalism must in practice give way to regional security agreements, which the United States seems to favor more than any other. By the same token the idea of free trade, the banner that the U.S. Government parades the most, clashes head-on with President Clinton's endeavors to integrate the United States into an economic bloc with Canada and Mexico, something initiated by his predecessor George Bush. There is no room for free trade in a world that has closed regions.

This transition from theory to practice, of an international message urging that one close one's eyes to reality, shows how sound this "new international order" is. First and foremost, the White House subordinates its self-assumed commitment to the universal value of democracy to what suits its national interests. Second, it is clear that the superpower's will may vacillate, as it did in the case of Bosnia. And lastly, it is possible to assert that, for lack of definitions and a steady course, incidents in a country that hardly exists, bodies of American soldiers dragged through the streets, a prisoner of war terrorized during a televised interrogatory, may temper the determination of the new order and seriously challenge the "unipolar world" which was the basis for so much speculation and so many policies.

Chile

Eduardo Frei Still Leading in Polls for President

PY1310204693 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 13 Oct 93

[Text] Eduardo Frei, candidate for the Coalition of Parties for Democracy [PPD], is still leading in the peoples' preference. According to a survey conducted in the country, if elections were held this coming Sunday the PPD candidate would win in the first round.

According to the polls conducted by the Center for Contemporary Reality Studies, CERC, Eduardo Frei would obtain 51.7 percent of the votes in the first round of elections, while Arturo Alessandri would obtain 15.3 percent. Much below them would be Eugenio Pizarro [Allendist Democratic Independent Movement], Manfred Max Neef [Independent], Jose Pinera [Independent], and Cristian Reitze [Humanist-Green Party]. According to the polls, the Christian Democratic Party is the party with most followers, with 35.5 percent of overall votes, followed by the PPD and National Renewal.

Concerning a question about the public's approval of certain personalities, President Aylwin received 73 percent of the votes in his favor, Eduardo Frei received 75 percent, Arturo Alessandri obtained 45 percent, while Augusto Pinochet received almost 30 percent of the favorable votes.

* Central Bank Releases 1993-94 Projections

93SM0442A Santiago EL MERCURIO in Spanish 9 Sep 93 p B1

[Text] In the view of the Central Bank the performance of the economy so far in 1993 has been satisfactory. This is despite the fact that the country has suffered from a substantial decline in income. The economic indicators reflect an economy which is still growing—although at a slower pace—and its basic accounts are in balance.

A rapid review of the key variables supports this view.

- Growth: For 1993 the projected growth has been adjusted to 5.6 percent from the original figure of 6.0 percent. Although the difference is not relevant, it shows that the process of economic adjustment in terms of production is going ahead. It would be appropriate to recall that at the beginning of 1993 there were doubts in this respect, and it was thought that the Central Bank would have to agree to a further increase in interest rates. This speculation has now

been discarded. In fact, it is estimated that Gross Domestic Product [GDP] will grow by 4.0 percent during the second half of 1993, compared to 7.2 percent during the first half of the year.

In 1994 the projections point to growth ranging between 4.0 and 5.0 percent, assuming that the external situation will not improve substantially. This result, although less than the growth potential of the Chilean economy, is not bad if consideration is given to the world recessionary atmosphere. In fact, the present situation has just broken the customary, vicious circle in our country, which states that whenever there are external problems, Chile suffers from them disproportionately.

Trade Balance: The fall in income suffered by Chile is best reflected in external trading accounts. The Central Bank now is projecting a deficit of $816 million in merchandise trade, instead of a deficit of $500 million initially anticipated. This deficit is equivalent to the country's expected decrease in income in 1993, estimated at about 2.0 percent of GDP, or $800 million.

The trade balance for 1993 is the result of a fall of 6.0 percent in the value of exports, compared to 1992. This is explained fundamentally by the decline in the prices of copper, fish flour, and cellulose fiber, together with problems with fruit exports. Nevertheless, it should be pointed out that exports in terms of physical volume will increase by 2.0 percent, a percentage which would be 8.0 percent, if only nontraditional exports are considered. As far as the value of imports is concerned, this will reflect an increase of 9.0 percent, strongly influenced by imports of capital goods, which will grow by 20 percent.

In 1994, assuming that the price situation will begin to improve and that this improvement will continue into 1995, it is estimated that the trade deficit will amount to $983 million, with the price of copper at $0.85 [per pound].

Current Account: One of the ways in which Chile is handling this external crisis is by increasing its foreign debt. This situation may be measured through the deficit in the balance of payments on current account. As far as the Chilean economy is concerned, it is generally accepted that this deficit should not be greater than 3.0 or 4.0 percent of GDP. On this assumption the ratio between external debt and GDP will not grow.

Nevertheless, it is estimated that in 1993 there will be a deficit in the balance of payments on current account of 4.5 percent and of 5.3 percent in 1994. The Central Bank recognizes that these figures are high, but at the same time it points out that we should not be concerned if, for "extraordinary and temporary" reasons, the deficit is larger for one or two years.

In presenting the matter in this way the authorities are certainly assuming that the international situation will improve at the end of one or two years. In effect, should the external recession and export prices not recover in this time, it is clear that the economy will have to undertake a larger, internal adjustment, so that it will not continue to use its ability to go into debt beyond what would be considered appropriate.

Inflation: In terms of prices the Central Bank continues to anticipate that inflation during 1993 will be in the range of 10 to 12 percent. It makes assumptions for 1994 in order to lower this goal to between 9.0 and 11 percent. The Central Bank recognizes that this goal will not be easy to reach but considers it necessary to obtain a reduction, even though modest, in the rate of growth of prices. To do this, it will clearly be necessary to request the cooperation of the Ministry of Finance, through control of budgetary expenditure, and of employers and workers, who will have to limit demands for an increase in salaries to increases in productivity.

This policy of the Central Bank is quite suitable for an economy like that of Chile, which tries to picture itself as one of the most efficient in the world. In this context, although our inflation rates are low, compared to those in Latin American countries as a whole, they are still very high in the view of leaders of developed economies. Therefore, we must not abandon the goal of bringing the IPC [Consumer Price Index] down to a one digit figure.

Exchange Rate: This economic indicator recently has been a subject for continuing argument. The export sector has pointed out that a substantial part of the loss in competitiveness which exporters have suffered is due to the deterioration in the exchange rate. In this respect the Central Bank points out that foreign exchange policy will continue to be to maintain a real rate of exchange suited to the external balance of the economy over the medium term. Therefore, the bank has indicated that this policy is not based merely on essentially antiinflationary considerations.

Now, the tendency toward a deterioration in the rate of exchange turned around during 1993. For example, between December 1992 and July 1993 the rate of exchange improved by 4.0 percent in real terms.

Investment: Regarding this traditional "bottleneck" in the economic growth of Chile, that is, the investment rate, forecasts point to a continuous improvement in this indicator. Thus, it is hoped that the gross formation of capital will rise to 27.3 percent of GDP in 1993 and reach the historic figure of 28.2 percent in 1994.

This point is of vital importance, since it implies that Chile is increasing the growth potential of its economy. In effect, at present rates, it is estimated that the country cannot grow by more than 6.0 percent annually for long periods of time without causing inflationary pressures and a deterioration in its external accounts. Well, then, in view of the anticipated rates of growth in capital formation referred to above, and if they can be maintained over time, this limit on economic growth can rise to 7.0 percent or more, a situation which will be completely beneficial to the country.

Central Bank Figures: Macroeconomic Projections (in)

	1993	1994
Gross Domestic Product	5.6	4-5
Index of Consumer Prices	10-12	9-11
Export Volume of Goods	1.4	6.2
Export Volume Incl. Copper	0.5	4.9
Export Volume Not Incl. Copper	2.0	6.9
Current Account Deficit at Current Prices (in of GDP)	4.5	5.3
Gross, Fixed Capital Formation at Current Prices (in of GDP)	27.3	28.2
Copper Price (in U. S Dollar Cents per Pound)	90	85

Balance of Payments (in Millions of U. S. Dollars)

Current Account	- 1,912	- 2,399
Merchandise Trade Balance	- 816	- 963
Exports FOB Basis	9,368	9,961
Imports FOB Basis	- 10,184	- 10,924
Exports of Nonfinancial Services	137	34
Imports of Financial Services	- 1,658	- 1,959
Net Transfers	425	488
Capital Account	2,840	2,501
Net Receipts, Medium, Long Term Capital	1,923	2,233
Net Foreign Investment	997	1,127
Investment from Abroad	1,311	1,482
Investment Abroad	- 314	- 355
Proceeds from D L 600 Loans	639	758
Other Loan Proceeds	1,630	1,765
Loan Repayments	- 1,340	- 1,369
Other Repayments	- 33	- 48
Net Receipts, Short Term Capital	917	268
Net Receipts, Commercial Bank Credit Lines	402	- 129
Other, Short Term Capital Transactions	515	397
Errors and Omissions	- 106	0
Net Balance of Payments Situation	822	102

1:3Source:Central Bank of Chile

* Foxley Speaks on State Regulation of Markets

93SM0437B Santiago EL MERCURIO in Spanish 3 Sep 93 p B3

[Text] Minister of Finance Alejandro Foxley spoke of the need to improve equilibrium between the public and private sectors, with the state increasing its ability to regulate markets.

This, he said, will require doing away with extreme and simplistic views in order to deal with the problems of the declining quality of living with a fresher and ideologically more focused approach.

The minister made these remarks while discussing future challenges facing the Chilean economy, speaking at the ECLA [Economic Commission for Latin America] headquarters. His presentation took place during the session inaugurating the Fernando Fajnyzylber Hall, the international organization's new auditorium.

This conference, chaired by the ECLA executive secretary, Gert Rosenthal, was attended by the president of the Central Bank, Roberto Zahler, and economist Anibal Pinto.

Foxley gave an emotional homage to Chilean social scientist Fernando Fajnzylber, who died in December 1991. Fajnzylber was one of the creators of the ECLA's new approach known as "Productive Transformation with Fairness." He served as director of the ECLA-UNIDO [United Nations Industrial Development Organization] Division of Industry and Technology.

In his presentation, Foxley spoke of the changes in Chile's economy, particularly the increase in investment, and alluded to a recent International Monetary Fund report which measured Chile's per capita purchasing power at US$6,000, behind Venezuela with a per capita purchasing power of US$7,000, measured in 1992 dollars.

This study measures the comparative purchasing power of different countries, using as a reference the standard purchasing power in the U.S. economy. The results are: Argentina, US$5,000, and Brazil, close to US$4,800. This compares with Korea, whose purchasing power is US$7,200; Thailand, US$4,600; Spain, US$8,000; Greece, US$7,300; and Portugal, US$6,700.

Foxley said that within a category of middle-level-income countries, Latin America and Chile in particular are beginning to develop problems that will have to be dealt with in the future, problems that go beyond and are more complex than the essential task of meeting the basic needs of the poorest people.

These new problems, like the decline in living standards, are very strongly impacting the middle class in these countries. According to Foxley, they will have a great affect on the political sustainability of the experiments in democratic progress, economic liberalization, modernization, and rapid growth that are taking shape in the region.

After the period of accelerated—and very disorderly—economic growth, he said, problems like quality and access to public services arise; the neoliberal response has been to privatize these services.

He mentioned a survey conducted in Santiago in which the public evaluated 25 public services. Those ranked the lowest by the public were Isapres [Institute of Public Health and Preventive Medicine] and Fonasa [National Health Fund].

Foxley noted that in the case of Isapres, the privatized health care system apparently has all the virtues advocated by the neoliberal approach (multiple choice by the consumer, free access, and an apparently competitive market position).

However, the survey uncovers a situation that is also appearing in countries with higher incomes like the United States, where the private health care system is not working, there is no standardized product that gives consumers a real choice, prices are not known in advance, there is no access for older persons, and people are beginning to feel growing dissatisfaction.

He added that there is a similar situation in the private pension fund sector, because of the lack of transparency in that market and the excessive cost charged to people who begin to withdraw their pension funds after accumulating their savings in the pension fund system.

Foxley said that the failings of the market are seen every day, in areas like the chaos in urban construction programs, the management of public spaces and recreation areas, urban traffic congestion, and in general a decline in the quality of life that continues to rankle the middle class, who see their incomes rising while their collective living conditions are declining.

He said the state needs increased regulatory powers to oversee the markets, urban land use, public transport, the standardization of public services and their prices, infrastructure, and privatized services provided by monopolies.

He felt that everything is leading to a need to quickly get rid of extreme, dogmatic, and simplistic visions so we can move forward to deal with emerging problems, with a newer and ideologically more focused view that the state should do its job so that development and increased incomes will be accompanied by an increase in the real quality of people's living conditions.

"Yellow Lights"

Elsewhere in his speech the minister noted that three bills in the legislature now—modernization of the capital market, tax reform, and modernization of the banking

system and resolution of the subordinated debt—will provide a more solid basis for channeling savings toward investment.

The most fundamental problem, he said, is now going to be the ability to manage the government budget and make sure that the greater volume of tax resources will be used for investment and not current spending.

He commented that some "yellow lights" are starting to flash, indicating that controlling current spending will become increasingly difficult, among other reasons, because of the deteriorating conditions affecting some public employees, like professors and health care workers. These sectors have very strong unions and are rapidly becoming arenas for political conflict. In his view, this raises questions about how to control these conflicts while modernizing the state.

* Pinochet Legacy of Institutional Changes Viewed

93SM0442B Santiago EL MERCURIO in Spanish 12 Sep 93 p D13

[Article by Enrique Barros B.]

[Text] Since shortly after it was established the Chilean military regime defined itself as laying down new foundations for the country. In Chacarillas in 1977 General Pinochet announced the end of a political and institutional system which he called definitively worn out. He expressed the intention of building a new system of democracy which would be authoritarian and established on a technological basis.

After the passage of almost 20 years and the completion of the political program announced in 1977 and formalized in the present constitution it is reasonable to ask ourselves where we now stand.

Above anything else the original constitutional objective was to establish a democracy provided with "strong and vigorous authority." With this objective in mind it was not only intended to implement an idea developed by the military regime, which saw itself as transitory in character, but to characterize the permanent, political system.

The idea that the state requires a strong concentration of power runs through our history as a republic. The same objective has inspired the reform of all modern democracies which have emerged following major crises. The common objective has been to ensure that a given society can be governed. Therefore, the constitutional rules have favored the formation of strong governments which would not be paralyzed by pressure groups and which would be able to make the broad ranging, political decisions which countries need from time to time. Experience shows that there are countries in which this institutional design has turned out to be successful. On the other hand, where there has been too little power in the hands of the government, this situation has generally led to failure. This has been the case not only of unbridled, parliamentary systems in the Italian style but also of the classic Chilean and Latin American presidential systems.

In Chile, despite so many basic objectives, we have ended up with a system which, with some amendments, is the same as the one established in 1973. It is going to be difficult to carry out public policies in a country in which the head of government is politically isolated from a bicameral parliament over which he has no effective power. From the institutional point of view what is the difference between the position of President Aylwin, over the past few months of government, and the positions over which Presidents Alessandri and Frei expressed so much concern when they came to the end of their terms of office? It is only necessary to think of the extreme isolation and impotence of a future government which, unlike the present one, does not have the support of at least a majority coalition in one of the two chambers of Congress.

The major problem with the present constitutional system is that it was conceived from the perspective of General Pinochet's remaining in power. And that prevented the completion of the modernization of democratic politics on the basis of its principal assumptions, such as the activity of political parties, the convenience for any government of having a majority in parliament, and, finally, the rule that power, however limited it may be, belongs to the majority.

My fear is that at times more difficult than those at present there will be less power than the country requires (as well as independence for whoever exercises that power). The problem is that now that the practice of politics has begun, it is difficult to reconsider the rules of the game, as has been seen in the discussion about the term of office of a president. Thus, we are running the risk that everything will be postponed until a new crisis makes it inevitable to do something.

The second institutional objective was to establish the state on a technical basis. And that objective was achieved with the expansion in the role of the markets. There are many examples of this: antimonopoly commissions, established to ensure freedom and fairness in competition; the new organic law of the Banco Central [Central Bank]; and the reorganization and establishment of professional, supervisory bodies, with powers to set standards. All of that has made it possible for the economy to function with growing degrees of dynamism and information. Something similar happened in other, specific areas, as for example with the procedures developed by ODEPLAN [National Planning Office] for allocating social spending.

To these structural changes was added the circumstance that, during the military regime, the chronic defects of the Chilean Government were remedied by a military organization which gave form to the state and which

guaranteed unity of decision making from the most important ministry to the lowest level, municipal service.

In this respect what also was dormant in the previous government has become clear in a system of democracy. Whoever now wishes to establish an industry in Chile knows that he will need several months to obtain some 20 authorizations coming from different ministries and services unrelated to each other and which are separate centers of power. In essence and despite the technical objectives there remains the old and Kafka-like structure of the state as administrator.

That raises challenges which had not been considered previously in redefining the functions of the government in critical areas, such as the environment, health, and education. New ideas about how to make use of the energies and talent found in the community to meet public needs are not enough. That conceptual change, which by itself is difficult in a country like ours with so much intellectual inertia, requires redefining the organization of the state from its very roots. To do that, and beyond the consideration whether good ideas may be in abundant or scarce supply, is there enough power available to deal with tasks of such broad scope?

Another of the many paradoxes of the military regime was its introduction in 1978 of a constitutional power of a recourse for legal assistance [amparo] against arbitrary or illegal actions, precisely at a time when political repression and restrictions on the freedom of expression reached extreme points. Nevertheless, over the years this constitutional recourse for legal assistance has changed Chilean traditions, which were previously characterized by reticence in controlling even flagrantly arbitrary actions by the administration.

However, beyond that, the Chilean judicial structure continues the same as it has been for several decades, however much, in recent years, there have been perceptible advances in the judicial branch of the government. To this may be added a substantial increase in the budget which will help to expand the reach of the courts and raise the salaries of judges and court officials.

However, urgent objectives are appearing on the horizon: justice must be within reach to resolve conflicts affecting ordinary people; bureaucratic proceedings should be simplified and made more open, such as the generalized tendency of comparative law; and a consistent system of jurisprudence should be developed which, step by step, will require rules for coexistence.

In an open society, ruled by contracts and by the principle of personal responsibility, judges are advantageously occupying the places left by government officials. This basic change in the perception of the civil service requires the judicial branch of the government to consolidate its prestige in society as much as possible.

Finally, the evolution toward a better educated and more civilized society assumes that the country is capable of achieving goals of institutional modernization not yet even thought of. The worst form of naivete would be to think that an open and many-faceted society does not require a well organized state. After all, the illusion of a Hobbesian state with unlimited powers is the opposite of a society incapable of providing itself with a sensible, political structure.

* Survey Shows Increase in Household Incomes

93SM0437A Santiago LA NACION in Spanish 26 Aug 93 p 17

[Text] Between 1990 and 1992 the average household income rose 17.5 percent, while in the poorest 20 percent of the population the increase was even larger, 26.1 percent, according to the results of the Casen survey, which Minister of Planning Sergio Molina released yesterday.

He explained that in the first case, the gain compared favorably with the 12.5 percent increase the same survey showed for the 1987-1990 period. Molina said this increase comes solely from independent family incomes, excluding any type of state subsidy.

He highlighted the fact that the increase in the incomes of the poorest 20 percent of the population is 50 percent above the national average. He compared this 26.1 percent with the 4.6 percent increase between 1987 and 1990, when it was a third of the national average.

The minister said that financial assistance to the poorest groups has gradually declined, and is now only 9 percent of what it was in 1990. State aid for the rest of Chilean households has been marginal.

He emphasized that this shows that resources allocated for social programs are reaching the poorest sectors. Molina opposes having families with higher incomes continue to receive government monetary subsidies.

In regional terms, the minister said the Casen survey revealed that between 1990 and 1992 all the nation's regions reduced their poverty levels. He cited this new situation as an important factor that reverses the former results, in which the number of indigent persons had increased in four regions of Chile.

The minister said this increase in family incomes has not only been most beneficial to the poorest sectors of society, but it also indicates a steady growth sustained by jobs and generated by families themselves.

Colombia

Pablo Escobar Evades Police for 2d Consecutive Day

PA1410122193 Mexico City NOTIMEX in Spanish 2037 GMT 13 Oct 93

[Text] Santa Fe de Bogota, 13 Oct (NOTIMEX)—For a second consecutive day, Colombian drug trafficker

Pablo Escobar evaded the police who raided the office of the Envigado city mayor, south of Medellin. In a surprise move, the police, who were searching a rural area of southwestern Medellin, raided the Envigado Municipal Palace, 20 km from Medellin, after intercepting a phone call made by the drug lord from that building. However, after two hours of thorough search, the elite forces of the police and Army suspended the operation and withdrew from the place in several trucks after not finding any trace of the Mafioso.

Envigado Mayor Jorge Meza, who has admitted he is a personal friend of the capo, was at the municipal building but he refused to answer the reporters' questions on the alleged presence of Escobar in his offices.

After the foiled operation, Colonel Hugo Ezequiel Martinez, the Search Bloc chief, stated that Escobar remains surrounded in the hills of the rural area, surrounded by the security corps. According to the commander of the 6,000-man joint force, Escobar fled into the mountains with only a handgun. "We have reports that he is still in the area," the colonel said emphasizing that his men "are on the right track, following the Mafioso."

On Tuesday, the search bloc raided a country home a few minutes after Escobar left, alerted by the flight of the 10 helicopters participating in the operation. Personal documents and belongings of the Mafioso were found in the estate, where two women were captured. The women were allegedly in charge of providing food for Escobar on a daily basis.

Search Bloc Combs Hills

PA1410042193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Oct 93

[Report by Maribel Osorio and Alvaro Ayala]

[Text] [Announcer] Eight helicopter gunships machinegunned Picacho and Astillero hills located above the area where the Search Bloc is conducting operations. The objective is to pressure Pablo Escobar into coming out. Maribel Osorio reports:

[Osorio] The Search Bloc believes that Pablo Escobar is still in the area and has not been able to break through the police cordon. Proof of this is that at dusk police renewed actions which they had supposedly concluded. They marked three hills, Picacho, Astillero, and El Llano, with smoke grenades and then opened fire on the area as a drastic measure to force the cartel chief into coming out. They concentrated their fire on an area that the Search Bloc had not yet infiltrated. From the air you can only see pine trees in that area, and that is why they took this measure, which they call search shooting [registro por fuego.] Two helicopter gunships fired for 20 minutes on the pine trees located just behind the house where the cache was found. The dense forest had allowed Escobar to hide there. Once the firing stopped, two helicopters landed momentarily then proceeded to overfly the area for another half hour. The crew reported that they thought they had seen somebody moving among the pine trees, but in the end there was no trace of Pablo Escobar.

[Announcer] In a surprise action, the Search Bloc raided Envigado municipal offices to search for Escobar. A telephone call prompted the action. Alvaro Ayala reports:

[Ayala] According to intelligence reports, the Medellin Cartel chief has been in the Alta Vista hill area since last Sunday. The Search Bloc's mission is to thoroughly comb this vast forest area, which allegedly also contains underground caches. A Search Bloc spokesman believes that Pablo Escobar has been unable to cross the police cordon, which was immediately positioned in the area. After leaving the two women who were with him, the women are being held by order of the Prosecutor General's Office today, the most wanted man in the world only has a pistol in his belt as his companion. He is reportedly uninjured and in good health. The operation was undertaken after one of his calls was intercepted and based on information provided by local peasants who reported unusual movements of people and luxury jeeps in the area.

The operations of the Search Bloc, whose members have been working continuously for the past 60 hours, are not limited to the Alta Vista hill area. Information deciphered in the past hours prompted Bloc members to raid the Envigado municipal office as there were reports that the drug kingpin had taken refuge in that office. The Envigado Municipal offices were thoroughly searched with due authorization from the Prosecutor General's and Attorney General's Offices. When nothing was found, the Search Bloc members returned to Belen Aguasfrias.

Several authorities believe Escobar Gaviria is trying to get in touch with Mayor Mesa Ramirez to get him to mediate in his possible surrender. As of today, it has been 449 days since Escobar escaped from La Catedral prison. Never in the history of the Colombian Armed Forces has there been such an impressive movement of troops to find one person. The movement included eight helicopters and 2,000 soldiers headed by Army Commander General Hernan Jose Guzman and Deputy Police Director General Octavio Vargas Silva. Both officers are at the scene that is drawing the attention of Colombia and the world.

The Search Bloc members expect to achieve their final objective, which is to shoot or arrest Medellin cartel chief Pablo Escobar. As a reward, they have been promised a trip to a foreign country.

Defense Minister on 'Routine' Search Bloc Operations

PA1410044793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Oct 93

[Report by Miriam Ortiz; from the "24 Hours Newscast"]

[Text] Defense Minister Rafael Pardo has said that the intensive activities displayed by the Search Bloc are routine, adding that media reports on the combing operation have been sensationalistic. Meanwhile, Senator Enrique Gomez Hurtado described the Search Block as inefficient. Several senators questioned the false expectations created around Pablo Escobar's arrest. They added that the Search Bloc has failed and that its name should be changed.

[Begin recording] [Unidentified congressman] Having a military unit with the name of a criminal as Pablo Escobar is absolutely absurd and ridiculous. This unit has been searching for one person exclusively, the search has continued for months, and millions of pesos have been spent without any results.

[Second unidentified congressman, broadcast in progress] ...has failed. It has 2,000 men who have been assigned permanently, but who have been unable to achieve their objective. This shows the inefficiency not only of the Search Bloc, but of the entire government strategy. [end recording]

Defense Minister Pardo did not reply to the senators. Following the debates, however, he said reports on the operations against Pablo Escobar should be less spectacular.

[Begin Pardo recording] There is a tendency to exaggerate and give a spectacular tone to the police operation in Medellin. This has not been promoted by the members of the public force or by security agencies. [end recording]

Court Upholds Decree Barring Massive Releases

PA1410022493 Santa Fe de Bogota EL TIEMPO in Spanish 8 Oct 93 p9a

[Report by John Gutierrez]

[Text] The second internal disturbance decree issued by the government to prevent the release from jail of 5,200 drug traffickers and terrorists made it past the Constitutional Court, albeit by a slim margin. The constitutional or unconstitutional nature of the decree, which will turn into a permanent law depending on what the Congress decides, divided the Court, which once again voted five to four to uphold it. On this occasion, the majority upheld the constitutionality of the decree.

The Court decided to side with the Executive Branch view that corrections were made on the flaws that last August came close to putting hundreds of persons charged with horrendous crimes out on the streets. In the opinion of five justices, Decree No. 1496 of 1993, issued by the Executive Branch the night of 3 August, adheres to the Constitution and resolves the flaws that prompted them to strike down previous norms as unconstitutional.

The new decree prevents keeping an accused person in jail indefinitely, gives justice strict deadlines to rule on investigations being conducted, and allows releases in cases where there is no evidence against the accused. Thus, in the Court's opinion, the decree aims at protecting fundamental rights of persons being processed by justice and ends the risk of excessive delays in the processing of ongoing investigations. The Court ruled yesterday following a lengthy debate in the plenary hall.

Justices Hernando Herrera Vergara, Eduardo Cifuentes Munoz, Antonio Barrera Carbonell, Vladimiro Naranjo Mesa, and Fabio Moron Diaz voted in favor of upholding the decree. According to the five justices, the government can legitimately resort to precise norms so that the country's peace and public order does not suffer grave harm. Decree No. 1496 specifically outlined the cases where the release of persons charged with drug trafficking and terrorism is in order and limited the effects of a ruling by the Constitutional Court.

The ruling warned that the government could not limit reasons to order a release to cases where the accused had served their time (without a conviction) and to those involving elderly persons. On this matter, and following an extraordinary security council meeting, the Executive Branch issued the new decree that gave justice a deadline from six to eight months to rule on investigations that have been open five years or more and from eight to 12 months on those files that have been underway for the past four years, among other deadlines.

Dissenting with the decision by the Constitutional Court were Justices Carlos Gaviria Diaz, who initially wrote the opinion, Jorge Arango Mejia, Jose Gregorio Hernandez Galindo, and Alejandro Martinez Caballero. In their dissent, the four justices felt the motives that prompted the national government to issue Decree No. 1496 has no connection to the measures adopted to prevent massive releases based on Article 415 of the Criminal Procedure Code.

In their opinion, the Court's ruling, no matter how severe the flaws may be, cannot be interpreted as a factor disrupting public order since one cannot argue that abiding by the Constitution is harmful to the rule of law.

* Plans To Extend Gas Pipeline Network Viewed

93SM0438A Santa Fe de Bogota in Spanish 24 Aug 93 pp 60-61

[Text] While the discovery of the Cusiana and Cupiagua oilfields has certainly caused what might be called the Colombian petroleum revolution, changes of a similar dimension are also going to take place in another area: gas.

The "gasification" of Colombia has been talked about for the past 10 years. Even at the start of the Barco administration, the minister of mines and energy, Guillermo Perry, raised the possibility of building a gas pipeline crossing the entire nation. It was then called the central gas pipeline. But it never became a reality because of doubts about the level of reserves, the size of

the investment, and regional fears that the interior would end up controlling gas from the coast.

In 1991, though, CONPES [National Council for Economic and Social Policy] revived the idea and established the first guidelines for the present national plan in a document that sought to solve the problem of transporting gas from production areas to consumption centers via a national network. The document cited the need for a national gas pipeline system (see map) [not reproduced], and for the first time raised the possibility of having private investors handle the construction of this infrastructure.

Then in 1992 a consortium composed of EPM [Medellin Public Enterprises], Promigas, and other investors submitted a proposal to build the section from Sebastopol to Medellin. Something similar happened with the branch to Bucaramanga. The reason was that those two cities would ensure their own gas requirements with the gas produced in central Colombia near Barrancabermeja. Moreover, in these two cities distribution problems have been worked out relatively well. In Medellin, EPM has a monopoly on public utility services and has applied for a license to handle natural gas distribution there. And Bucaramanga already has a significant level of consumption and a network that now meets 95 percent of its demand.

In early 1993, the government learned that of everything proposed in the 1991 document, the only concrete developments were those listed above. The original plan had gone nowhere as the network had not been built. So in March 1993 CONPES produced another document that discussed the possibility of promoting projects using the form of contracting known as BOMT [expansion not given], which consists of turning over to private investors a project that they build, operate, maintain, and then transfer to the state at the end of 10 to 15 years. In that schema, Ecopetrol [Colombian Petroleum Enterprise] would act as the promotor and financial backer, as it would pay the investor a fixed monthly rate that would ensure an economic return on the investment and the maintenance costs, and would guarantee the right to permanent use of the pipeline for transporting its own gas.

Getting Down to Work

The process has already begun. Ecopetrol divided the central gas pipeline into segments and expects to contract three of the major sections of what will be the national gas pipeline system by the end of 1993. It has invited 21 foreign firms to submit bids to build and operate the first 575-kilometer segment from Ballenas in La Guajira to Barrancabermeja. The proposals are due by the end of this month [August] and the bid award will be decided within 60 days. The cost will be on the order of $400 million. That section of the gas pipeline will be the system's central axis, as gas from La Guajira will come through it to the interior of Colombia, and in the future it will be used to transport gas from Cusiana to the Atlantic coast.

The second segment scheduled to be built this year goes from Mariquita to Cali, passing through Manizales, Pereira, and Cartago, with a branchline to Armenia. That line is 310 kilometers long and will serve 30 municipalities. The third segment will bring gas to Bogota. It will start from La Belleza in Boyaca, and will be 144 kilometers long. These two projects are also to be defined before the end of 1993. To link Barrancabermeja with Mariquita and La Belleza, they plan to rehabilitate some sections of Ecopetrol pipelines that are not being used.

These projects, which are to be completed by the end of 1994, will require investments of about $560 million. To this will have to be added an additional $300 million needed to set up the distribution system which, combined with other costs, could bring the final investment total to $1 billion. That is a third of what the state is going to invest in Cusiana, and is one of the biggest investments in Colombian history.

Sufficient Reserves

One of the biggest doubts about undertaking the project was the level of reserves. In December 1992 the proven reserves were 3,700 gigafeet—one gigafoot is 1 billion cubic feet of natural gas. That did not include Cusiana. Then in March 1993 the official figures from Cusiana came out, adding another 3,000 cubic gigafeet in proven reserves. Moreover, in Sucre, Lasmo Oil found 300 cubic gigafeet in the Guepaje field. That would mean a total of 7,000 cubic gigafeet, though now there is already talk of numbers on the order of 8,300 gigafeet of proven reserves. At current consumption rates—400 million cubic feet a day, or 146 cubic gigafeet a year—those reserves could cover 57 years of consumption. That figure will decline, of course, as consumption rises. But even if it doubles, as Ecopetrol estimates will happen in 2000, the reserves should last for many years.

The other big doubt remaining before work could start was consumption. For the plan to be viable, it had to be profitable, both economically and financially. Its economic viability was assured, as it was determined that replacing electricity and other fuels by gas in household and industrial consumption will provide savings for the Colombian state on the order of $3 billion between 1995 and 2015.

The financial return—which means that Ecopetrol would recover the resources invested in infrastructure—is not totally certain, as the central line will be built with an initial transport capacity of 100 million cubic feet a day, expandable to 170. As final consumption is lower, this does not ensure an adequate rate of return. Therefore, a plan has been devised to convert thermoelectric plants to gas. To date only one 150-megawatt plant has been defined, financed by the CVC [Regional Autonomous Corporation of the Cauca Valley] in the Cauca

Valley. Another with a similar generating capacity is still needed in the central region—near Bogota or in the Middle Magdalena area. But that does not seem to be an obstacle sufficient to halt one of the most ambitious infrastructure plans Colombia has ever known.

* Government Holds Seminar on Competitiveness

93SM0435A Santa Fe de Bogota EL TIEMPO in Spanish 21 Aug 93 p 1B

[Article by EL TIEMPO special correspondent Jacquelin Guevara G.: "New Boost for Liberalization Agreed On"]

[Text] Cartagena—Infrastructure remains the bottleneck for the economic liberalization program. Each year the private sector has to pay out an extra $633 million because of inadequacies in roads, ports, electric power, and telecommunications, according to figures disclosed by National Planning.

This problem is compounded by shortcomings in the educational system, which does not prepare students in accordance with international "standards," as a result of which their performance in industry leaves a great deal to be desired when compared to that of workers in other countries.

According to a poll conducted among 400 employers by Monitor, a prestigious international consulting firm, 85 percent of the respondents feel that the school system does not provide sufficient technical knowledge for their industries to perform as well as those in other countries.

The findings of the study, which was commissioned by the Economic Development Ministry, were presented yesterday during the First Seminar on Competitiveness, conducted by the Office of President of the Republic.

During the forum the industrialists asked the government to give the private sector funds so that it could sponsor specialized education to correct this situation, which is detracting from its competitiveness.

Other factors that the poll found were critical to the production sector are security and international image.

Ninety-two percent of the respondents do not think that the government is pursuing clear-cut, consistent policies towards their sectors, and 77 percent do not regard communication between them and the government as productive.

The poll did, however, uncover several favorable elements, such as the fact that the Colombian people adapt readily, are creative, and are aggressive as businessmen and that the government and financial institutions are stronger than in other Andean countries.

The president of the National Association of Industrialists (ANDI), Carlos Arturo Angel, urged a consistent internationalization strategy, spearheaded by the government but carried out by business, that will enhance our competitiveness.

He also said that the problem of providing quality education must be solved and that efforts must focus on doing something for, not just talking about the country's development.

During the meeting President Gaviria, eight ministers, monetary officials, and close to 300 industrialists undertook a detailed analysis of the economic liberalization process that has been under way for three years and looked for ways to surmount the remaining obstacles.

On this occasion the government and Colombian businessmen downplayed their disagreements and pledged to give a boost to the economic liberalization process so as to eliminate the obstacles weighing down the production sector and start winning new markets.

Development Minister Luis Alberto Moreno urged businessmen to enhance their competitiveness, asserting that this is the ideal time to put forth a major effort and expand our share on foreign markets, inasmuch as Colombia has a good location and climate, raw materials, and low labor costs.

The businessmen acknowledged that they have the biggest challenge ahead of them in coping with international competition, but they asserted that the government has obligations too.

They said that becoming competitive means modernizing the production machine, improving physical infrastructure, and cutting labor and financing costs.

In their speeches Finance Minister Rudolf Hommes and the president of the Bank of the Republic, Miguel Urrutia, agreed that the private sector must be careful about adjusting wages and they ruled out the economic recession that some sectors have spoken of.

"There has not been a recession in Colombia since 1950," the manager of the central bank said.

For his part, Hommes asserted that the manufacturing industry has performed well this year in spite of the increase in imports.

As far as he is concerned, the conclusion is that there is no recession, that economic liberalization has brought more benefits than losses, and that the pattern of imports is consistent not with an economy on the threshold of a crisis but rather an economy that is moving forward.

"Now that things are going well for us at this party, let us not move on to another one just because some couples do not know how to dance," Hommes said, referring to the criticisms by certain trade unions that see dark clouds on the economic horizon.

Imports Up

As for exchange rate policy, the finance minister said that although the specter of revaluation is haunting businessmen, owing to expectations over Cusiana, the Board of Directors of the Bank of the Republic and the

administration intend to coordinate their policies to keep the real exchange rate stable.

"The businessmen who feel attracted to the alternative of devaluating more quickly ought to know that this cannot be done unless the administration is prepared to guarantee sizable budget surpluses, which under current conditions are not going to be possible," he indicated.

As for the rise in imports, he acknowledged that preliminary estimates show a significant increase in the first half of 1993 over the same period last year.

Nevertheless, he indicated that the biggest increases are in capital goods and transportation equipment, not the consumer goods sector.

The overseas purchases of capital goods have not prevented domestic producers of machinery from performing well.

The minister said, however, that some sectors need to improve in order to enhance competitiveness.

[Box, p 1B]

Infrastructure Improvements

The head of the National Department of Planning, Armando Montenegro, announced that the administration would be undertaking infrastructure projects in the immediate future in order to ward off higher costs for Colombian businessmen.

The Executive Branch is bent on concluding the second runway at Eldorado Airport, dredging the approach channel to Buenaventura harbor, and building a new maritime terminal in the Choco.

The road skirting the jungle is going to be completed in order to complete integration with Venezuela.

Montenegro acknowledged that although there is still an infrastructure problem in the countryside, the administration has been resolving it little by little.

He indicated in conclusion that in the area of telecommunications the Colombian people would have an expanded telephone network once the cellular telephone system is completed.

* 'Internal Contradictions' in Samper Camp Noted

93SM0439A Santa Fe de Bogota EL TIEMPO in Spanish 26 Aug 93 p 4A

[Commentary by Enrique Santos Calderon]

[Text] Ernesto Samper has just taken a first stumble in his race for the presidency. It will not be the only one, as the road ahead promises to be rough and full of potholes.

This stumble may have been inevitable, and some people considered it a really stupid move. In any event, it could be seen coming, as it was the result of a natural contradiction that has for some time been splitting the Samper camp.

The debate on the social security bill was the predictable scenario where the first open disputes among those with disparate tendencies, who have come together behind Samper's candidacy, erupted. Populist or popular, social democrats or social demagogues, and neoliberal or pro-Gaviria or pragmatic-capitalists—the names are the least of it; we all know what is involved here.

The forum for again debating this bill, the most important social reform in recent years, was a tactical victory for the social democratic wing represented by parliamentarians like Maria Cristina Ocampo and former ISS [Social Security Institute] director Cecilia Lopez, or former ministers like Guillermo Perry and Horacio Serpa. The latter labeled the social security reform initiative "the Frankenstein bill." Taking leading roles in the debate were well-known Samper partisans like Alvaro Uribe Velez and Fernando Botero Zea.

This forum, which Samper suggested as a conciliatory move, was considered by the neoliberal sector a delaying tactic and a step backward that disregarded the lengthy process the bill had undergone in making its way through the congressional committees. It was clear that the liberal candidate would be made to pay for his accommodating attitude. "Ambivalent," "demagogic," "opportunistic," were some of the epithets hurled at Samper's position by the other presidential candidates.

What happened to the social security bill is a first symptom of the complicated internal struggle that Ernesto Samper will have to take control of. Behind it are—let us make no mistake about this—two views on managing the state and the economy.

Another manifestation of the delicate balancing act facing the Samper camp also emerged in the friction between the ministers of agriculture and finance over the new coffee commission. The irritation between Ocampo and Hommes—the agricultural crisis and its social effects clashing with the harsh consistency of economic policy—is barely the presage of another difficult decision in store for Samperism: relations with the government.

Should he keep his distance? When and how? Unless the current government is irreproachable (something quite impossible in a country so difficult to govern and so full of problems), any self-respecting candidate usually keeps a critical distance from the administration. The question is whether Ernesto will do this before Andres, who is still keeping quiet, using his clever "silence is golden" tactic.

But the real question is how much this distancing will respond to tactical electoral considerations, and how much to a profound disagreement with the Gaviria administration's economic policy and general approach, which a large part of the country seems to share.

This brings us back to the internal tendencies within the Samper camp, which diverge on issues as fundamental as economic liberalization and the pacification policy. It is known that the social democratic group advocates slowing down the pace of liberalization and privatization, and Samper himself is leaning in that direction. This position was flatly rejected by President Gaviria, who has said the process cannot be slowed down or made more gradual.

In dealing with the guerrillas, the pro-dialogue position of Horacio Serpa and of some liberal leaders and parliamentarians whose political base lies in guerrilla territory is in open opposition to the government's refusal to make any further concessions to guerrillas who have shown no desire for any form of peace. That position is supported by broad segments of the Liberal Party. And it is an issue on which Ernesto Samper has not yet made his own strategy clear.

During the course of the campaign these dilemmas will have to be resolved. Although it is understood that it is not in Samper's interests to precipitate conflicts or attack his own supporters (politics is the art of adding forces), he cannot remain immobilized and torn between the internal contradictions within his own movement; just as he cannot try to govern by creating an unlikely consensus between the left and right.

Businessmen fear the resurrection of a populist Samper. The liberal left fears he may adopt Gaviria's economic policy. The political class fears he may later turn his back on it, while a large part of public opinion is afraid he will not. So the path to the presidency will not be smooth and straightforward, and there will be more than one stumble.

The way in which Samper goes about resolving these conflicts will create his true presidential profile. Right now his challenge is to bring people together and move forward without losing credibility or allowing himself to be overwhelmed by internal disputes. That is complicated, of course, but politics is also a puppeteer's art.

Paraguay

Campaign Manager Appointed Integration Minister

PY1410004993 Asuncion RPC Television Network in Spanish 2300 GMT 13 Oct 93

[Text] Paraguayan President Juan Carlos Wasmosy has appointed Atilio R. Fernandez, his electoral campaign chief and prominent Colorado Party member, as new integration minister.

Bearing in mind the international commitments of the Paraguayan Government within the framework of the Common Market of the South Treaty of Asuncion, Atilio R. Fernandez was appointed integration minister today. [Begin Fernandez recording] Last night I accepted the president's offer to join his cabinet as integration minister. This ministry post was not filled on 15 August [date of the presidential inauguration], but the new administration proposes to reactivate it and give it additional duties, bearing in mind the commitments it has undertaken for the integration process in which our country is involved. [end recording]

Peru

New AP Leader Suggests Organizational Changes

PY1310235993 Lima EXPRESO in Spanish 28 Sep 93 p A4

[Text] Yesterday Raul Diez-Canseco Terry, the new secretary general of the Popular Action (AP) Party, announced an emergency plan for the next 100 days. Among other things, the plan seeks to implement a primary election mechanism to allow the public to participate in the nomination of their presidential candidate for the 1995 elections. Diez-Canseco said the "primary election" mechanism will also be used to elect AP candidates for the posts of mayor and congressmen.

Open primary elections presuppose the participation of citizens not involved in party activities in the internal party elections for candidates for public posts.

Diez-Canseco told EXPRESO that the idea to implement primary elections in his party was suggested two years ago by former Lima Mayor Eduardo Orrego. He said he wants to open the party to new generations. He added that he has "a good team," among whom he mentioned Arturo Castillo Chirinos, the Chiclayo mayor and Ampe [Association of Peruvian Municipalities] chief, and Welfare Deputy Secretary Matilde de Mariategui, who is the wife of former Senator Sandro Mariategui.

The ambitious 100-day emergency plan also includes changes in the organization, training, and communications departments of the party. The plan seeks to conclude the formal installation of provincial committees that have yet to be elected. It also envisages the organization of 50 percent of the district committees, the implementation of a single registry document for party members, and the distribution of these documents nationally.

The party will also summon a national congress to discuss party statutes, organize four regional meetings (north, south, center, and west) and a national meeting in Chincheros, Apurimac. The emergency plan also envisages establishing a national school for its leaders and the creation of a monthly party newsletter which will be called ACCION, as well as a newspaper supplement.

Poll Reveals Support for New Constitution, Fujimori

PA1410032593 Lima Panamericana Television Network in Spanish 0200 GMT 11 Oct 93

[From the "Panorama" program]

[Text] These are the results of the most recent survey conducted by Apoyo, S.A. exclusively for "Panorama." The survey was taken after Shining Path leader Abimael Guzman sent his first letter to the government and is an indication of the people's reaction to the subject within the context of the upcoming 31 October 1993 referendum.

Asked whether they approved of the Constitution ratified by the Democratic Constituent Congress, 49 percent said yes and 23 percent said no. The trend in the past few weeks has been increasingly toward the yes vote to the tune of 42, 47, 48, and 49 percent. The number of people who say they will vote no remains the same. The number of undecided people has dropped from 29 to 27 percent.

President Alberto Fujimori seems to have reaped the greatest benefits from Guzman's letter. Among those polled, 70 percent approved of his government, while barely 20 percent disapproved of it.

* Immediate Future Role of Opposition Viewed

94SM0007A Lima QUEHACER in Spanish Jul/Aug 93 pp 29-32

[Interview with Dr. Manuel Moreyra, representing Solidarity and Democracy (SODE) in the Constituent Congress by unidentified reporter; place and date not given—first paragraph is QUEHACER introduction]

[Excerpts] The participation of the opposition in the Constituent Congress and the country's immediate political future are analyzed by Dr. Manuel Moreyra, who represents Solidarity and Democracy (SODE). He also speaks of his decision to withdraw from politics.

[QUEHACER] In January, when the Constituent Congress began its work, you stated that the resulting constitution would be a spurious product. Do you still feel the same?

[Moreyra] The way it has turned out, this is not a constitution designed to serve the country in the long run; it has been thought out with a view to meeting the short-term requirements of a single person. It will last as long as Fujimori's autocratic power lasts.

[QUEHACER] On that occasion, unhappy with the agenda set by the majority in the Constituent Congress last January, you stated: "All of the representatives, myself included, should be taken prisoner." [deberiamos ir presos]

[Moreyra] If Mr. Fujimori refuses to back down, he will be removed ultimately by violent means. The new authorities may prosecute everyone who helped him stay in power in any way, directly or indirectly.

[QUEHACER] And you feel that you have helped Fujimori, at least indirectly?

[Moreyra] From a certain standpoint, yes, since we in the opposition have not achieved the objective we set for ourselves when we participated in the elections for the Constituent Congress. That was to ensure the return to democracy in a nonviolent way. We are not ensuring that return. So, regardless of whether we are useful in denouncing the excesses or bearing witness to the outrages, which is the positive aspect of our work, we have not been successful in attaining our goal. The upshot is the prolongation of the autocracy.

[QUEHACER] At various points the opposition was on the verge of withdrawing....

[Moreyra] Yes, especially after what happened in response to the call for an investigation of the La Cantuta disappearances. When an Army general threatened that he would not allow the congress to fulfill its investigative function, in an act of hypocrisy the majority of the congress decided on a pro-forma investigation that had no possibility of discovering the truth. To prevent this, the opposition groups thought of withdrawing in protest.

[QUEHACER] And did you feel like quitting for good?

[Moreyra] Not only did I feel like it, but I continued to advocate withdrawal. Unfortunately, only one other person stayed with me to the end.

[QUEHACER] Why did you not withdraw?

[Moreyra] In the SODE political committee we considered it in detail, and finally we concluded that it would just be futile, for three reasons: first, because we would run the risk of not having enough impact; second, because I was elected on a list with 79 other people, and one of them might agree to replace me; and third, because if the opposition's strength lies in its unity, my withdrawal would have projected an image of divisiveness. Personally, I would have preferred to see the entire opposition withdraw on that date.

[QUEHACER] What do you think of the role the opposition has played in the Constituent Congress?

[Moreyra] It is very difficult to judge one's colleagues, even those in the majority. But the facts have shown two things: first, that the central objective of bringing the country closer to true democracy, of drafting a constitution with general interests in mind, has not been achieved. On the other hand, it is also true that participation in the Democratic Constituent Congress (CCD) has allowed the opposition to denounce the government's autocratic excesses.

[QUEHACER] In conclusion, was it worth participating?

[Moreyra] I always doubted whether this was the right path to follow. I cannot say that I am satisfied, but neither can I say that my participation has been futile. It has been useful both for bearing witness and for denouncing excesses.

[QUEHACER] What do you think of your personal participation?

[Moreyra] I have had one advantage: Since I have decided to withdraw from politics, I can say whatever I think, without worrying about a future that for me is nonexistent. [passage omitted]

[QUEHACER] In spite of being in the opposition, you were not very active in the campaign for the "no" vote. Why?

[Moreyra] I will refrain from campaigning for the "no" vote until the constitutional debate is over. Although it is not likely, it is not impossible that there will be reconsiderations and significant corrections in the draft constitution to make it a good document.

[QUEHACER] What are the political chances of the "no" campaign?

[Moreyra] We will have to fight against the entire government apparatus and the television stations and some newspapers that support it voluntarily, but I think that no matter what the results, we have to do battle.

[QUEHACER] The "no" campaign poses a lot of difficulties for the opposition. The opposition, including that which is outside the congress, is not exactly united.

[Moreyra] We must make an effort at unity, and that includes saying as little as possible.

[QUEHACER] What course do you think Peruvian politics will follow in the immediate future? What do you think will happen after the Constituent Congress?

[Moreyra] The situation is complicated. In the first place, the reelection of Mr. Fujimori has been approved for two terms, not one. A principle has been established whereby the new constitution wipes out the effects of the old one. Consequently, if there is an article that allows for the possibility of reelecting the president immediately after his term, applicable to anyone who is elected president from now on, if Fujimori is reelected, he will be entitled to a second term under the new constitution. The previous election is considered to be under a different constitution. Furthermore, the principle is that every time the constitution is changed, the limitations imposed on anyone elected under the old rules are eliminated, according to the immoral principle that it is possible to violate the terms under which each person is elected; therefore, they can keep changing the constitution and its norms will always be binding only on those who follow.

Basically, what has been approved is the principle of unlimited reelection, an expression of Mr. Fujimori's desire to remain in office as long as he can, using whatever method he can (legal or illegal, violent or nonviolent, moral or immoral). In other words, it is unfortunately likely that it is going to require violence for Peru to get rid of Mr. Fujimori. This casts a terrible shadow over the future. If we consider, in addition to that, the obvious involvement of certain military commanders in terrorist and immoral actions, for which reason they fear the election of anyone other than Fujimori, I think there is an uncertainty about political life that we would have liked to eliminate with a constitution drafted in the best interests of the country. That has not been achieved.

[QUEHACER] The picture you paint is disturbing. What solutions are available now to try to find a way to ensure the return to democracy?

[Moreyra] I am a firm believer in democracy, by which I mean enforcing the law equally for everyone, without any exceptions, and the separation of powers according to the Constitution. I think that what we have to do is implement democracy at all levels.

[QUEHACER] From the political, programmatic point of view, what is necessary to develop the democratic opposition to the regime?

[Moreyra] I decline to answer.

[QUEHACER] What is the reason for that attitude?

[Moreyra] Because I have to be consistent. If I want to abandon politics after this period is over, it behooves me to support rather than lead.

* Opposition Leader: Need for Suprapartisan Cooperation

94SM0005B Lima QUEHACER in Spanish Jul/Aug 93 pp 25-28

[Interview with Henry Pease, Democratic Movement of the Left, by Fernando Burgos, place and date not given: "Responding to the Dictatorship with Unity"]

[Text] The opposition in the Constituent Congress has shown its ability to work together, which is essential for defeating the autocracy, says Henry Pease, who represents the Democratic Left Movement (MDI) in the congress.

[Burgos] You were pushing the idea of the "no" vote long before the opposition in general began talking about it, when there was not even a preliminary draft constitution. Why such haste?

[Pease] I did it from the moment it became apparent how the majority was really going to respond and behave.

[Burgos] You have been criticized for flying the "no" banner while at the same time proposing language for the Constitution. Do you think your attitude has been consistent?

[Pease] Yes. I have worked to show the country my conclusion. The function of a representative is to communicate with his constituents and tell them how things are going. Our purpose was to be an alternative to the majority. Thus, we have presented a proposal that was put together by the entire opposition so that when we vote "no," we will have an alternative.

[Burgos] But that means that you will end up voting against something that you at least partially approved.

[Pease] What did I approve?

[Burgos] Some articles of the new constitutional text....

[Pease] Any article is approved by a specific vote, but I have an overall objection to the draft. I did not present the "no" option in January, not until I was sure what draft they were advocating and how they intended to get it through. The fact that we managed to eliminate the proposal for partial promulgation of laws, which was an aberration, is good. But I am not going to support reelection just for that reason. There is no inconsistency, then. Besides, all the articles of the Constitution are not alike. There may be a single article that justifies an overall vote of "no."

[Burgos] Do you not find it inconsistent that you are supporting a draft constitution jointly with the Popular Christian Party (PPC) and other groups that are not exactly leftist? It must be a little difficult, for example, to reach an agreement on job security or the death penalty. The opposition's vote on the latter point was divided.

[Pease] Indeed, and we decided that it was not a constitutional issue, but something for the Penal Code to resolve.

[Burgos] And what about job security?

[Pease] During the debate, in the Constitution Committee as well as in the plenary sessions, we had dissimilar positions. Each group presented its position separately, in an individual report. But when it came time to coordinate ourselves, we tried to reach a consensus, one that would include unemployment insurance for those who already have jobs and defense of the rights of those who already enjoy job security. That coordinated position does not blur our position or that of people who opposed it. And it is better than the one approved by the majority.

[Burgos] Were those concessions necessary?

[Pease] We all had to make concessions. My philosophy is that if we want to get out of this dictatorship, we have to reach agreements with very distinct political sectors: with the PPC, with the American Popular Revolutionary Alliance (APRA), with Popular Action (AP). But agreements do not distort what each of the forces stands for. What happened on 5 April was possible precisely because we could not agree.

But not only should the parties reach agreement. To get rid of the dictatorship, we must also seek specific cooperative arrangements with social organizations and nonorganized sectors. We will have to redesign a lot of our society's political organization and social fabric. How can we show that this is possible? By seeking specific cooperative arrangements. This is one that makes sense, even if it only has pedagogical value.

[Burgos] Referring to the opposition, Mirko Lauer, a columnist in LA REPUBLICA, stated that someone had made an effort to correct the errors and fill the holes in the draft constitution approved by the majority. Do you think he was talking about you?

[Pease] I have not corrected anything. I have my own agenda, but I have had no problem agreeing with others on any issues. Moreover, anyone who analyzes the MDI's line will find that it has been the opposition in the congress. It has not been conciliatory. We have not played the role that some have played, for example, expressing their disapproval of a majority position but then turning around and saying that it would be better if such and such a condition were included.

[Burgos] What did you agree with the majority about?

[Pease] About the matter of a unicameral legislature. But at the same time, we have stated that our agenda was different: We advocated a unicameral system because at the same time we would give the regional governments the capacity to legislate. That would simplify the functions of the legislative branch. In fact, we have not accepted the ideas of the majority; we have presented our own.

[Burgos] What is your assessment of the opposition's political performance and the way it has developed throughout the constitutional debate?

[Pease] The opposition was formed very rapidly. In the beginning, we were scattered minorities, but we gradually became articulated and took on the demand for an investigation into the La Cantuta case, which opened a veritable Pandora's box. We demanded the oversight of the government and we confronted the constitutional debate. While doing the latter, we made sure each person expressed himself. I think we helped everyone see the real distribution of power in the country. In addition, we have helped clarify the limits and dangers of the draft constitution approved by the majority, and we have formulated an alternative draft.

Our participation has shown that the political parties do have the ability to work together, that we can deal with the crisis in Peruvian politics. But that crisis cannot be resolved with a dictatorship. This is the mechanism Fujimori is using to prolong the crisis of representation and to benefit from it. We think that the debate in the congress was supposed to contribute to the search for consensus among the citizenry and create the conditions for the referendum.

[Burgos] What was your objective in participating in a congress whose results, given the conduct of the majority, were more or less predictable?

[Pease] To make sure that what was proposed, criticized, and debated there would help more Peruvians form opinions, abandon their passivity, and defend democracy.

[Burgos] Do you think that objective has been achieved?

[Pease] I have visited various provinces in the country, and everywhere I have met people who are mobilized, but sometimes that is not discussed in the mass media. In Lima I see that people are overwhelmed by activism, because they have to do everything they can to survive; many of our political customs have disappeared. There is a social reality in which it is more difficult to engage in political behavior, but we must also be aware that if we do not pursue initiatives quickly, our ability to take political action will be expropriated.

[Burgos] At various times the opposition withdrew, both from sessions of the Constitution Committee and from the Constituent Congress as a whole. At one point, when the powers of the committee investigating the La Cantuta disappearances were limited, there was even talk of pulling out of the congress for good. Why did that not happen?

[Pease] The first thing that must be said is that several times the majority provoked us into leaving....

[Burgos] And did you really think of doing that?

[Pease] The possibility was studied each time, but we never took that option. The reason stemmed from the answer to this question: Where can we be most useful, outside or inside the Constituent Congress? Where can we fight more for the things we believe in? I do not think those who are on the outside, who are urging us to withdraw, have done anything more useful than we have.

For example, consider the La Cantuta case, which has caused the government the most problems. The initiative was taken inside, not outside. Without our presence, the constitutional debate would have become a monolithic chorus. You must understand that what will help us weaken the dictatorship and seek a democratic solution is combining the roles that each of us can play wherever we are, inside or outside. What can be done in Parliament, in the nongovernmental organizations (ONG), in the Democratic Forum, in the party organization.

[Burgos] Do you think, perhaps, that the Constituent Congress is the only political forum for the parties?

[Pease] Not at all. It is one of many....

[Burgos] The most important one?

[Pease] There are times when it may appear to be the most important, but other times it does not. Unfortunately, today it is much more of a forum than the popular organizations. That is something that should prompt us to look into what happened and to find solutions for what is happening. It has to make us see that we are not in the 1970's or the mid-1980's. The criticism that has been made concerning the problems of participating in organizations and adapting them to the new faces appearing in society will have to translate into new initiatives for social organization.

[Burgos] What is your assessment of the relations the parliamentary opposition has had with the extraparliamentary opposition?

[Pease] The efforts that have been made are common knowledge: the party meetings, the Democratic Forum. But no more than that, because there are no common initiatives.

[Burgos] The parties persist in maintaining their own profiles above everything else.

[Pease] Of course, but besides that, each one is facing the problems of the crisis in its own organizations.

[Burgos] Many agree that the majority of delegates to the congress contributed very little to the debate, and you yourself have said that the government's goal was to give the regime an instrument that would justify its continuation and lend it legitimacy. In view of the outcome of the Constituent Congress, do you think it was worth participating in?

[Pease] The judgment you have to make is not whether it was worth participating in, but what we accomplished in terms of getting rid of the dictatorship, and not just in the congress. That is an issue not only for those of us in the congress, but also for those on the outside. What the dictatorship wants is atomization. When dictatorships appear, they must be answered with unity. But if that cannot be achieved, even under the new conditions we must continue to have a unified attitude.

[Burgos] There are those in the opposition who think or thought that a coup d'etat would solve the problem of the current regime.

[Pease] But that is not true. In Peruvian history, coups have led to other coups; none has led automatically to a democratic regime. The transition processes end up being tortuous. If, on the other hand, we prompt a popular reaction with proposals, and if the elite also manage to reach agreement and prove that they are an alternative, then things will change. As long as there is no alternative with which to oppose him, I do not think Fujimori will weaken.

[Burgos] And what will determine whether that alternative emerges?

[Pease] The ability of the various political forces to agree to push in a single direction. That is what we are lacking.

Furthermore, it is something that has to be done in an innovative way, respecting what is present in the crisis. We must accept the criticism of the top-down approach, the concept of leadership. Obviously, each party knows how to deal with its own problems, but what we need are political organizations that can reflect what is happening in society. For that, we must open up new types of political work. Certainly some will get together in one way and others in another, but we have to have points in common so that we can find ways of getting rid of a person who wants to rule the country in an imperial manner.

* Differences Between Old, New Constitution Viewed

94SM0005A Lima QUEHACER in Spanish Jul/Aug 93 pp 12-17

[Article by Marcial Rubio Correa, managing director of QUEHACER: "Dissent and Consensus"]

[Text] The death penalty, decentralization, and the immediate reelection of the president were not the key issues in the debate on the Constitution, although they deserved a great deal of attention, because they were circumscribed by other, larger issues on which the discussion focused:

- The balance or imbalance of power in the organization of the state, both among the "three classic branches of government" (legislative, executive, and judicial), and between all of them and the regional and local governments.
- The role the state should play in the economy and in meeting the basic needs of the population.
- The economic system that should prevail in society as a whole.

Balance of Power

The contemporary rule of law is simply the organization of the use of power under the clearest possible preestablished rules. For centuries, humans wielded power primarily by the use of force. About three centuries ago, during the Glorious Revolution of 1688 in England, the idea that power should be "civilized," that is, regulated, so that no one in government could do "whatever he wanted as long as he had the strength to do it," began to prevail.

This was how the theory of the balance of government powers emerged, first in opposition to the absolute power of the European monarchs of the 16th through the 19th centuries. The balance of government powers does not depend on whether there is immediate presidential reelection, or whether there is a unicameral or a bicameral legislature, despite what a superficial analysis of the recent Peruvian debate might suggest. On the contrary, it requires that all organs of the state be vested with reasonable shares of power, as well as reasonable mechanisms to control each other and to resolve differences among themselves.

The majority of the congress agreed upon the following changes to the Constitution of 1979 with regard to the problem of the balance of powers:

1. The president of the republic can now be reelected to a single additional term immediately after his current term. This measure has been criticized by the Democratic Left Movement as well as the Popular Christian Party (the only two parliamentary groups that presented comprehensive alternative constitutional drafts) on the grounds that it favors *caudillismo*. Some have said that in fact this entire constituent process has been organized to provide for reelection.

2. After much vacillation, it was established that the president of the republic may dissolve Congress if it censures or issues a vote of no confidence in two Councils of Ministers.

The political efficacy of dissolving Congress is this: If there is a serious disagreement between the executive and legislative branches with no resolution in sight, the executive branch is given the power to dissolve Congress and call parliamentary elections so that the people can decide the issue. If they elect a majority favorable to the president, the conflict has been resolved in his favor by popular decision. If the people elect a majority who oppose him, then the president should lose.

Throughout the constitutional debate, however, only the Popular Christian Party officially presented a formula (there were several submitted by the civilian sector), contained in Article 189 of its draft constitution. It is well known that this proposal called for two chambers rather than one: "The Chamber of Deputies, by a vote of two-thirds of its members, may agree to call a referendum to decide whether the president of the republic shall remain in office. This referendum may take place only after the third year of the term. It shall not take place in the last year or during a state of siege. Should the referendum result in a rejection of the proposal to remove the president of the republic, the Chamber of Deputies shall be dissolved and new elections shall be held within 30 days. The president of the republic shall be disqualified from carrying out his functions pending the outcome of the referendum. If the results are unfavorable to him, he shall step down and the vice president of the republic shall serve the remainder of the term." This proposal was not incorporated into the text approved by the congress.

There are other possibilities, such as having a prime minister serve as chief of government and leaving the president the function of chief of state. In that scenario, however, the president of the republic could not force the prime minister to resign on his own whim, and no one in the congress proposed that alternative.

The foreseeable result of the whole issue of dissolving Congress and censuring the Council of Ministers is that the provisions of the Constitution of 1979 will remain in effect; in other words, it has made no difference at all. Of course, it is easier for the president of the republic to

force Congress to censure two cabinets than three (the requirement set forth in the Constitution of 1979), but it is unlikely that the norm that has been established will effectively solve the problems between the executive and legislative branches in the future. Therefore, in the face of a serious conflict between them, the most feasible (though lamentable) alternative will be a coup d'etat, as in 1968 or 1992.

3. The chairman of the Council of Ministers, upon taking office, must go to Congress and ask for a vote of confidence. This is a step toward establishing a prime minister as chief of government, but the initiative went only half way because the president's power to remove the prime minister was not limited. Consequently, the chairman of the Council of Ministers will not be independent of the president of the republic. This independence is what Peru really needs to establish a complete balance of power between the legislative and executive branches.

4. It was decided that judges will not be appointed by either the legislative or the executive branch, but by a Judiciary Council. This measure is an improvement that will depoliticize the administration of justice.

5. Also after a lot of vacillation, the majority in the congress voted to establish a system of decentralized government based on a central (unitary) government, regional governments, and municipal or local governments.

The first draft approved by the majority eliminated the regional governments and returned to the traditional system of dividing our territory politically into departments, provinces, and districts. At the head of each department (there are 24) was an intendant named by the executive branch. Lower down, in the provinces and districts, there were municipal jurisdictions. The system was thus extremely centralist (as was the case until 1980, with the single exception that the official who is now an "intendant" was then a "prefect").

The latest version of the draft allows for regions with presidents elected by direct vote of the citizenry in the region, although it appears that the central government will have no obligation to promote the establishment of the regions.

With regard to regionalization, then, the majority made significant concessions during the debate, but there does not seem to be a fully developed and adequate system to make sure power is truly decentralized.

6. The position of "defender of the people" has been created. The official will be appointed by Congress and will enjoy immunity in his official duties, which could be an important step forward in defending individual rights.

7. Two very important jurisdictional norms have been established: first, that the Supreme Court may review judgments issued by courts martial, and secondly, that the authorities of peasant and Indian communities may exercise jurisdictional functions within their territories under customary law, provided that they do not violate the fundamental rights of the individual.

The State and the Economy

1. The role of the state in the economy and in meeting basic needs: The majority of the congress decided to eliminate the role of the state in the economy and in meeting basic needs. Norms have been established that allow for private participation in all services and activities, and no state obligations are provided for in this regard.

This approach has been criticized in both the draft presented by the Popular Christian Party and that of the Democratic Left Movement. These opposition groups' principal disagreements with the government are:

- That the state has an obligation to promote and facilitate access to social security and is responsible for establishing a national system for that purpose.
- That the state is responsible for organizing a national health system, based on public and private agencies. They insist on the need for basic medication promoted by the state and made available to the vast majority of citizens.
- Both groups believe that the law should regulate the use of urban land for the common good, and that the state should promote the execution of public and private urban development and housing programs.
- Both agree that it is incumbent upon the state to provide effective support for feeding the population.

In short, a privatist approach that does not recognize any social responsibilities of the state is contrasted with the position that social solidarity must be maintained, at least with respect to the essential needs of the population. The draft constitution reflects the first approach, which was advocated by the majority in the congress.

2. The economic system: The majority in the congress voted to establish an orthodox liberal system, characterized by inviolable property rights, equal treatment of national and foreign investment, and guarantees that the law cannot alter the terms of properly executed contracts for any reason. The role of the state will be that of guarantor of the rules of play, although there is a provision for public enterprises to be set up under specific laws. Whereas the text of the draft constitution mentions a "social market economy," there are no explicit norms that implement the "social" part of the concept.

The opposition has put forward two fundamental criticisms:

- The first, that the criteria of solidarity and social interest should figure among the guiding principles of economic activity. On this point, the Democratic Left Movement places greater emphasis than the Popular Christian Party on the role of labor as a producer of

wealth and on the promotion of social justice.
- The second, the demand for central planning mechanisms, which would be binding on the public sector and advisory for the private sector.

On this point, there has also been a very clear differentiation between the pro-government majority and the opposition. The former has prevailed with an ideological model of liberal economic organization, while the opposition has sought to take a different approach to the social aspects and, once again, the solidarity of economic organization, with significant (and until recently unexpected) areas of agreement.

Uruguay

Lacalle Dismisses Military Integration, Defends Mercosur

PY1310132593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 13 Oct 93

[Text] In the course of his visit to Paraguay, President Luis Alberto Lacalle yesterday ruled out the possibility of establishing a supranational military organization. Lacalle said: Let us make it clear that when we talk about integration we are not referring to supranational military integration since a small country like ours would be the first one to dread any attempt to that effect. He added: Notwithstanding this, all sectors of society must give their support to the integration process.

During a speech to Paraguay's leading entrepreneurs, Lacalle stated that despite the fact that there are many hurdles to overcome in the path of the Mercosur [Common Market of the South], something that will require frontal and structural changes by member countries, there is no going back on it. He called upon all sectors of society to assume integration as an unavoidable challenge.

Lacalle anticipated that the next step within Mercosur will be its enlargement to admit its natural partner, i.e. Bolivia. The [Paraguay-Parana] waterway will thus become the instrument of integration, he said.

Lacalle further stated that Uruguay and Paraguay, Mercosur's minor partners, are the ones that stand to gain more from this process inasmuch as a structure is devised to derive benefit from its advantages and (lessen?) its shortcomings. He added that integration should comprise countries in their entirety, that society as a whole must accept this process of integration for it to become a reality.

The president urged businessmen to neither surrender themselves to fear nor to be too overly optimistic to believe that integration is going to be a breeze, since one has to consider the size of the markets as is the case of Mercosur.

Venezuela

* Caldera Adviser on 'Openness' Economic Program

93SM0431C Caracas EL NACIONAL in Spanish 29 Aug 93 p E1

[Article by Fabiola Sanchez]

[Text] "Rafael Caldera's economic program calls for complete openness to domestic and foreign private investment," according to economist Asdrubal Baptista, a member of the presidential candidate's economic and social analysis team. The other members of the team are Enzo del Bufalo, Fernando Luis Egana, Rafael Irribarren, Vicente Carrillo Batalla, Rafael Macquhae, Alfredo Larrazabal, Camilo Arcaya, Julio Cesar Fernandez, and Vicente Perez Davila.

Baptista, who took the lead in making the announcement at a press conference, dismissed the charge that former President Caldera has considered imposing heavy restrictions on private investors. He explained that the controls to be established for these investors will be dictated by social practice.

"There can be no healthy foreign investment if the rights of others are ignored. This would, in the end, create a distorted structure. In the oil-association agreements that have just been approved, ownership by the Republic is not recognized as such. Thinking ahead to the coming decades, it is necessary to establish a framework clearly defining the legitimate right of those who must engage in negotiations to obtain returns on their investments. In other words, those who come to Venezuela must know that there is sufficient scope for good business here."

In the course of his explanation, Baptista responded to some press reports claiming that foreign investors are more fearful of Caldera's victory than of the recent terrorist attacks that have occurred in the country. He stated that reports like these constitute a "crime" against Venezuela. He said there must be a firm conviction that the economic practices allowed in Venezuela beginning in 1994 will never work against the interests of domestic and foreign investors. The program bases of the Caldera Government call for providing the broadest scope for domestic and foreign investments and the healthy conditions everyone desires with a view to engaging in legitimate business.

This economist denied the charge that former President Caldera has considered breaking off relations with the International Monetary Fund and the World Bank, or failing to honor the agreements already signed with the multilateral bodies.

In this connection, he simply explained that at no time will "the imposition of foreign formulas" be tolerated, and that a program based on the real situation in the country and adapted to the economic goals being sought

in the short and medium time range will be proposed to the international financial bodies.

"One of the guiding principles on which Caldera's program will be based calls for restoring the confidence of the citizens of Venezuela in the creative effect of their efforts. We will try to bring the standard of living of the citizens of Venezuela back to its former level. What has been lacking in the economic policy of recent years is a relationship with increased effort, the will to work, the real readiness to meet obligations, and the healthy distribution of compensation. An economic policy characterized by growth without an improvement in the standard of living of the people is doomed to failure."

Baptista was asked how economic growth and the improvement of the citizens' standard of living can be achieved when one cannot see where adequate resources for the financing of these goals might be found.

He responded that "the growth in these past five years has not been based on a solid foundation. Growth is insane and perverse when imbalances in various sectors of economic life are being generated. Economic growth where, after four years, fiscal imbalance and a situation of financial mediation are to be found, does not represent good growth. We must correct what is basic. We must seek growth at moderate and sustained rates that can be fully financed, for otherwise the country will not function."

Asdrubal Baptista admitted that one of the problems the next government must attack on a priority basis is the deficit. He did not wish to go into further detail on this subject, mentioning only that within the next few days, some of the strategies that will be pursued to deal with the fiscal problem under a future Caldera government will be announced.

The economist flatly denied that the economic program of the former president calls for price or exchange controls.

"There is no room for controls, since they interfere with healthy freedom of action," he said. "No one is more interested in broadening the scope for action than Rafael Caldera."

* Congress Modifies Privatization Law

93SM0431B Caracas EL UNIVERSAL in Spanish 19 Aug 93 p 1 Section 2

[Article by M.L.]

[Text] The reform of the Privatization Law recently approved by the national Congress provides for the use of up to 30 percent of the net income obtained from the sale of public assets for the amortization of capital and for buying back the foreign debt contracted prior to the date of the promulgation of this legal text.

The Privatization Law previously allowed only 10 percent for such purposes. During the parliamentary debate, it was agreed on a preliminary basis to approve the Venezuelan Investment Fund (FIV) proposal that 15 percent be allowed for this kind of commitment. However, the law approved by the legislative chambers allows 30 percent for the payment of the debt.

The balance of Article 8, which modifies Article 15 of the law, remains unchanged where the following provisions are concerned:

—Amounts up to a maximum of 10 percent are allowed for new processes of reorganization or privatization, for which purpose agreements may be reached on the state or municipal level.

—Amounts up to a maximum of 10 percent are allowed for scientific and technological research and development programs, which should be oriented preferentially toward technological innovation, industrial development, small and average businesses, and the development of microenterprises. These resources will be administered through a special fund, the regulations for which will be issued by the national executive branch within the first six months following the date this law becomes effective. The resources in this special fund may not be used for current personnel expenditures.

—Amounts up to a maximum of 15 percent are allowed for technical education and vocational training, including the retraining of workers to which Article 14 of this law refers.

—The income derived from privatization but not covered by the preceding provisions may be used only for social investment purposes: a) in equipment and endowments for preschool, primary, basic, technical, and artistic education, duly authorized by the Ministry of Education as well as for health services on the primary and emergency care levels; b) in aqueducts, sewage systems, and environmental cleanup programs in the poorer zones and settlements in the interior of the country; and c) in programs for the protection of mothers and infants, children, for nutrition, as well as protection for the elderly.

The members of the Congress supported and respected the spirit of the law, which contains an article providing for the invalidation of the process of privatization in any case in which monopolistic or oligopolistic practices are found.

It states in this connection that "the Venezuelan Investment Fund will prevent the concentration of assets, shares, and public service concessions that are or have been subject to privatization in enterprises or groups of enterprises that share the same interests, or might engage in monopolistic or oligopolistic conduct to implement maneuvers likely to hinder, restrict, falsify, or limit the enjoyment of economic freedom and free competition."

—Violation of these provisions will be justification for the absolute invalidation of the processes of bidding or placing enterprises on the capital market.

Following this legislative amendment, the president of the Republic, rather than the national Congress, will make the decisions on the initiation of privatization processes.

Article 5 of the draft law amending Article 9 provides the following: "The privatization processes will be initiated with the approval given the president of the Republic in the Council of Ministers by means of a justified document, which must be published in the GACETA OFICIAL within the three days following its approval."

—Within the first 10 days after said publication, the FIV will seek authorization from the Permanent Finance Commissions of the Senate and Chamber of Deputies, or in their absence, of the responsible commission, for the execution of these processes. This authorization will be granted in joint session within the first 15 days following the report of the application in ordinary session, unless in view of the complexity of the matter, said commissions jointly decide to extend the period indicated for a period of no more than 30 consecutive days.

The law specifies that the commissions must inform the FIV of the date on which each application was acknowledged, and of any extension granted, prior to the end of the original 15-day period. Once the 15 days have elapsed without authorization of an extension, or when the period of any extension granted has elapsed, if no response has been received, authorization will be assumed to have been granted. Once the authorization provided for here has been granted, or the pertinent period has elapsed without receipt of a response, the national executive branch will proceed to publish the decision to continue the process in the GACETA OFICIAL.

MBR Prisoners Reject 'Terrorist Acts,' Political Participation

93SM0432A Caracas EL UNIVERSAL in Spanish 25 Aug 93 p 16 Section 1

[Article by Alberto Vargas]

[Text] In a written statement which they made public, a large faction of the Bolivar Revolutionary Movement 200 (MBR-200) rejects terrorist acts and at the same time voices its support for our national institutions and President Ramon J. Velasquez.

The document creates a serious split between those who signed it and the MBR-200, represented by Maj. Hugo Chavez Frias, because of the issues raised in it. Furthermore, this statement is signed by a group of officers involved in the violent events of 4 February 1992 who never participated, and only until this moment had refrained from participating in any kind of revolt against the mass media, among whom are Majors Jesus Ortiz Contreras and Joel Acosta Chirinos.

These majors have up to now been closely linked with Lieutenant Colonel Chavez, but, according to the statment, a serious split is being planned.

The officers who signed the statement, who are being tried for military insurrection and are confined to quarters in the San Carlos barracks, state: "We want to express a few opinions on the events that are stirring up the country and we have take a stand." In connection with this, they say:

"We, the Army officers now being held in the San Carlos barracks because of the events of 4 February, who have signed this document, bring to the attention of the people of Venezuela and the National Armed Forces the following:

"1. We support the process of change instituted as of last year, the achievements of which are evident in the events of 20 May 1993 and subsequent actions that challenge the Venezuelan courts.

"2. In our capacity as Army officers, we express our wish to contribute to the stability of the republic, which we are obliged to do by constitutional mandate.

"3. We feel that the conditions for effecting the changes demanded by the people within the institutional framework now exist, which is why we categorically reject those terrorist acts that are aimed at disturbing the public peace and interfering with this aspiration held dear by Venezuelans.

"4. We confirm to the people of Venezuela and our comrades in arms our support for the historical commitment to comply with the provisions of the Constitution and to see to it that they are complied with, in defense of which our soldiers took action on that glorious day, 4 February 1992.

"5. As legally appointed officers, we inform the public that we have no connection whatsoever with any political party, association, or political or military movements that may claim to exist within the National Armed Forces."

Undersigned by: Majors Jesus M. Ortiz C. and Joel Acosta Ch.; Captains Antonio Rojas Suarez, Edgar Hernandez Behrens, Frank Rafael Morales, Guillermo Blanco Acosta, Noel Martinez Rivero, and Wilmer Omar Barrientos; Major Francisco Javier Centeno; Lieutenants Jose Angel Calatayud Pedra, Raul Alvarez Bracamonte, Jose Oscar Carrizales, Jose Vielma Mora, and Diosdado Cabello Rondon; and First Sergeant Specialist Andres Reina Alvia.

MBR's Arias Views Elections, Failed Coup

93SM0432B Caracas EL UNIVERSAL in Spanish
22 Aug 93 p 16 Section 1

[Report of interview with Lt. Col. Francisco Arias Cardenas of MBR-200 by Berenice Gomez Velasquez]

[Text] "All my cellmates have profound respect for my decision to apply for a discharge so that I can head the ticket of R Cause deputies for Zulia State. A few people, a very few, have doubts about this," Lt. Col. (Army) Francisco Javier Arias Cardenas, one of the leaders of the military coup attempted on 4 February, said yesterday when we interviewed him in Yare Prison.

The military prisoners in the ad hoc military annex to San Francisco de Yare are in a modest building completely separated from the ordinary prisoners.

MBR-200 Party

"There are probably those in the group of prisoners who assume a political position that construes the MBR-200 [Revolutionary Bolivar Movement-200] as an association or that supports a politically constituted group and who participate in its slates, which does not exclude them from continuing to work within the Bolivar association."

Arias Cardenas admits that there is another group of military prisoners who do not want to participate in politics at all, but want to return to the military life or devote themselves to their personal plans and projects.

"In it are 95 percent of the professional soldiers who are in prison. I would say that we who are thinking of going into politics are very few in number. Admiral Cabrera Aguirre, Colonel Garrido, Lieutenant Colonel Ortiz, and Lt. Col. Acosta Chirinos understand and support my decision. While they are not participating politically, they wish me luck and success and they understand that what I am doing is a way to face up to the struggle," Lt. Col. Francisco Javier Arias Cardenas said.

This officer reported that, when the prisoners in Lino de Clemente were asked for their opinion, 14 out of 16 officers agreed with his position; two had doubts about the risks it represented. "This happened in all the prisons and in Yare...but there is absolute respect for the decision I have made, a decision that is neither untimely nor crazy, but one that was thoroughly discussed and well thought out with my comrades."

For Arias Cardenas, being a congressional deputy is establishing himself on another platform of struggle with which he thinks he will gain the freedom of his comrades and fight to effect changes in the country with people in whom he believes, like the R Cause deputies.

At Least Six Years Waiting for a Sentence

"How long does it take to be sentenced? No military sentence has been handed down in Venezuela." Lt. Col. Hugo Chavez's lawyer, Carlos Fermin, told us that after five years he still has not received a definitive sentence: "Releasing us after convicting us is not what is at issue. We are not prisoners because we removed a few loaves of bread from the barracks. Ours is a political conviction. Putting off making decisions relating to our problems is not the wisest approach; it is at best a fear of making decisions, which would complicate matters and also the pacification process," Arias Cardenas said.

"We do not know when we will be sentenced. The experience of those who have gone before us indicates that we may be condemned to being prisoners for years, and we will go on fighting to see to it that this does not happen. We feel that people understand the achievements of our revolt and the vistas that have opened to us in the process," Lt. Col. Francisco Arias Cardenas said.

Renouncing Violence

"These are the first photos taken of me as a civilian," Arias Cardenas, a not very expressive man who carefully selects every word he utters, told us.

"What do you think of the birth of terrorist violence in Venezuela, you being an intelligence expert?"

"I am not an expert on intelligence; I had the basic training of an officer and I worked on the analysis of foreign intelligence at Army command headquarters. I think that this situation ought to be analyzed from the point of view of objectives, reasons, and motivations. This escalation of terrorism is taking place in terms of a process in which broad sectors of Venezuela are committing themselves to seeking ways to solve old problems through choices based on peace, understanding, and tolerance.

"Terrorism is opposed to this. It favors small groups that are trying to return to situations that are being resolved. The interview you had with Navarro Wolff at EL UNIVERSAL is quite clear, based on the experiences of the M-19 people, on this type of experience."

Arias Cardenas agrees with Navarro Wolff that Venezuelans on the whole reject terrorism. That they are not accustomed to violence. "We Venezuelans are neither retaliatory nor do we practice indiscriminate violence. With all our nobility, with all our characteristic honorableness, we reject terrorism, which runs counter not only to our heritage, but to the transformations that are weakening those elements that have been exploiting power for their own benefit and which are opening participation in the development of this country to everyone. We have to confront it with all our might and combat it wherever it crops up," he added.

Minister Is a Man of Honor and an Admiral

"With reference to your discharge from the FAN [National Armed Forces], the minister of defense said that it is equivalent to deserting your comrades. What do you think of this?"

"The minister's statement is in keeping with traditional barracks mentality. When soldiers of different ranks are lacking in discipline, they have to face sanctions in accordance with the regulations and the senior officer assumes the greatest responsibility.

"The process we are going through in this country is a process of political change that goes beyond this narrow margin of standards that is defined by our regulations. Applying for a discharge does not mean that I have not accepted full responsibility, and I say so to the country, my cellmates, and the military high command. I have applied for a discharge in order to look for a solution to the country's problems and to the imprisonment of my comrades.

"Consoling myself in prison with my comrades and simply enduring the years that they may want to keep me prisoner without my offering any resistance is out of the question. We are in the midst of a struggle to obtain better opportunities to participate. The 170,000 signatures that repose in Congress are being ignored. AD [Democratic Action] and COPEI [Social Christian Party] laugh at the will of the people, who want to see us [free] in the streets. We are denied this possibility and the Amnesty Law is not being discussed in Congress.

"Applying for a discharge so that I can enter Congress is a new way of fighting; it is not abandoning ship," Arias Cardenas maintained. "And it is also a risk for me to begin a new line of work as a politician."

Talk of Leftists

"Why [are you working] with R Cause?"

"Because of the people in it. Because of its way of constantly confronting [those in power] with their lies. I am registered with them. They are different and with them we can fight for the noble causes, the same ones that hold us prisoner. I am not homesick for our lost weapons. I used them as gentlemen use them. Now I am going to use other weapons, for example, speaking out freely, being able to register with them so that these same people can get me out of prison with their votes. They will have to listen to me in Congress. Demanding freedom for most of my comrades who support me," he replied.

"There are those who are wondering how things are with R Cause, whether it is considered to be leftist."

"My General Oswaldo Suju asked me that and I did not answer him. Now here is my response: At the time Gen. Suju asked me, the high command had just carried out Minister Carmona's instructions and now they are carrying out Minister Espinoza's. Both of them come from the armed Left and they discuss things and converse with the high command and give it instructions. If the high command converses, discusses things, meets with, and takes instructions from two ministers and others who come from the armed Left, why can't I be fighting on the side of the R Cause people, who are honorable in their actions and are fighting for peace?"

All of Us Will Remove Perez

"In view of the transformations taking place in this country, the well-deserved prejudice against CAP [Carlos Andres Perez] and Lusinchi, you say that you are satisfied with your actions of 4 February."

"Some people are incapable of handling power and are afraid to realize what is happening. There is egoism in the merit of these changes. It is not only we prisoners who will remove Perez from the presidency, but all of us: the reporters, those who have been fighting for this society, those who have demanded their rights. I am not accusing anyone in the high command of being a CAP agent. History will say of this whole process that the country's moral forces took action in spite of the fact that they were apparently rendered helpless, repressed, and expectant because they had demonstrated. This victory belongs to us all. There are neither winners nor losers. We prisoners were left with the sympathy of the public, the victors with the medals and decorations," Lt. Col. Francisco Arias Cardenas replied.

This officer realizes that the possibility of his going back to the FAN [National Armed Forces] is a very remote one, just as the military leaders have said it would be.

"What are you asking of the minister of defense, as concerns your application for a discharge?"

"With all due respect, I would hope that the minister acts in accordance with military rules, standards, regulations, and laws. He is a gentleman and a vice admiral. It would look awfully bad if he were to grant me the discharge when I could no longer register [with a political party]. He cannot deny me the discharge. The minister believes in military honor," Arias Cardenas replied.

"What are the people who place bombs trying to achieve?"

"They are trying to regain the power they have lost. They held a celebration that benefited them. Although we failed on 4 February, we will defeat them. The FAN realizes that our action produced the transformations, that the political success we had was an absolute defeat for the class of corrupt politicians," he replied.

"For me," Arias said, "this is a great country, filled with working people and principles. As I said, a climate of family amorality was being imposed on us by the presidency, one that was disrespectful of the management of the Treasury. Even the progressive church is committed to this transformation. We were stripped of power on 4 February. This is a country with potential."

Reason for Defeat on 4 February

"What are the reasons for the military's defeat on 4 February?"

"There were errors in gaining control of the central government, in capturing the president—on three occasions: in La Carlota, on the overhead railway, and then in Miraflores. These were due to chance, desperation, timing. We made mistakes. The guys were desperate and some of them were operating with specialized units other than those that were needed: armored instead of infantry units, for example. It was not a crazy thing to do."

"When did you have feelings of fear?"

"The whole time. I channeled them. When I tried to land atop the Libertador barracks with a helicopter which I had been able to recover. They were firing on me from below as I was changing my armband, which was coded. I realized it when they hit the helicopter six times. That is when I felt fear and controlled it too," he said in closing.

* New Refinery Project in Eastern Region Described

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[Article by C.R. Chavez]

[Text] With all of the obstacles and situations arising in connection with the proposed new refinery to be located in Jose in the eastern part of the country now overcome, that project is in full swing. Similarly, the projects connected with the strategic associations for the processing of the extra heavy crude oils from the Orinoco Strip, which will also be located in San Jose, are also continuing.

One of the Bicameral Congressional Commission reports analyzed all of these situations as a necessary preliminary to authorization (which has now been granted by the parliament) of these associations' projects. This report contains a summary of the proposed industrial installations in the locality of Jose with regard to environmental protection measures, based on the agreements signed by the PDVSA [Venezuelan Petroleum, Inc.] and Petroquimica [PETROBRAS (Brazilian Petroleum Corporation) Chemical Company] with the Ministry of Environment and Renewable Natural Resources.

"The project," this report says, "calls for the design and construction of a refinery for the processing of 200,000 barrels per day of Hamaca crude oil, with an average API [American Petroleum Institute] weight of 10.3 and a sulfur content of about 4 percent. The crude oil, which will be transported from the production fields in the Orinoco Oil-Bearing Strip by oil pipelines, will be diluted to API 15 to facilitate its transportation. The diluent will be extracted at the Atmospheric Distillation Unit and returned to the oilfields for reuse.

"The new refinery will include the following industrial processing units: atmospheric and vacuum distillation, coking, hydrotreatment of gas and diesel oils, catalytic cracking, separation of naphthas, catalytic reforming, alkalization, isomerization, saturated gases, treatment of unsaturated gases, removal of mercaptans, separation of C3 and C4, hydrotreatment of C4, MTBE [Methyl Tertiary Butyl Ether], depentanizing, TAME [Tertiary-Amyl Methyl Ether], naphtha sweetening, regeneration of amines, sulfur recovery, regeneration of sulfuric acid, and hydrogen generation.

"In the course of its operation, the refinery will generate various sorts of waste. The atmospheric emissions will be minimized by means of the desulfurization of gases, the use of high-efficiency generators, and monitoring and maintenance programs. The liquid effluents will be processed at industrial, domestic, and wastewater filtration plants. Where waste materials are concerned, the principles of minimization, reuse, and disposal in accordance with the prevailing environmental norms will be applied.

"The investments required for the project will total an estimated 336 billion bolivares, and about 3,670 jobs will be created. The storage capacity will be 24 million barrels. When the project is operating at full capacity, 1,500 liters of water per second will be needed. Currently," the report concludes, "the project has been put on hold until the CORPOVEN (a subsidiary of PETROVEN [Venezuelan Oil Company]) has established an association with another enterprise for its execution. Plans for using the Bitor terminal installations for loading and unloading are included in the project.

"Also contemplated is the establishment of various modules for improving the heavy and extraheavy crude oils through investment in strategic associations with international oil companies engaged in the manufacture of synthetic crude oils of a quality suitable for processing in an international refining system."

These modules will be located in areas allocated for industrial use by the oil and petrochemical industries, based on the assignments made in the Marnr-PEQUIVEN [Petrochemical Company of Venezuela, Inc.] plan for cooperation in the drafting of the organization plan for the coastal strip of the state of Anzoategui.

"Each module will be based on a plant for the conversion of extraheavy crude oil by the elimination of carbon (coking) or hydrogen (hydrogenation)."

In addition, the modules require installations that can be shared, such as those for the desalinization of crude oil, atmospheric and vacuum distillation units, stabilization and hydrosulfurization units, units for the recovery of gas, systems for the handling of solids (coke), amine regenerators, wastewater disposal units, sulfur units, hydrogen plants, systems for generating steam and electricity, cooling systems, and units for the storage of raw materials and products.

"It should be emphasized that at the present time, only three of these associations, of which two would make use

of coking processes and a third the process of hydrogenation, are envisaged for Jose. Apart from the coke, which will be shipped to international markets, sulfur will be generated as a byproduct to be marketed both domestically and internationally."

The strategic associations' plants for the processing of crude oil will require some 600 to 700 liters of water per second and 170 megawatts of electrical energy, but will need a rather limited volume of natural gas (50 million cubic feet per day). The first two processing modules will require an investment of 370 billion bolivares, and will create 450 new jobs.

An outlet to the sea and a wharf will be required, and the modules will occupy an estimated area of 300 hectares.

Guyana

Strikers Demand Resignation of Finance Minister

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[Text] Georgetown, Guyana, 8 Oct, CANA—A strike by electricity workers in Guyana has dragged on, with calls for the resignation of Finance Minister Asgar Ally.

A large portion of the capital, Georgetown, and surrounding areas were without power late Thursday because of the strike. Scores of striking workers from the state-owned Guyana Electricity Corporation (GEC) staged a noisy picket of the Finance Ministry Thursday morning, demanding the sacking of the finance minister and Raymond Gaskin, a GEC director.

Newly-elected president of the reunified Trades Union Congress (TUC), Lincoln Lewis, said the TUC has no choice but to throw its full support behind the actions of its affiliates. The strike, now in its fourth day, was called by the National Association of Agricultural, Commercial, and Industrial Employees (NAACIE) after the GEC did not sign a concessionary deal it had struck with the union for combined salaries, merit increments, and overtime allowances.

Senior officials of the company, requesting annonymity, said the corporation was on the verge of signing the agreement, but was blocked from doing so by Prime Minister Sam Hinds. Hinds, who has responsibility for the power sector, wants until October 18 to study the agreement.

"We are continuing the strike," former head of NAACIE and now its consultant, N.K. Gopaul told CANA Thursday. "We are satisfied they should sign the agreement. The government had enough time if they wanted to re-check the position. They had almost three weeks and they should not have allowed the position to reach this stage," Gopaul said.

The combined agreement, GEC officials say, represents 25-30 percent of the corporation's wage bill.